



DRAFT 2012/13 ANNUAL REPORT

VISION

"TOGETHER BUILDING A CARING AND ECONOMICALLY VIBRANT CITY WITH CITIZENS LIVING IN A SECURE, HEALTHY AND COMFORTABLE ENVIRONMENT".



MISSION

Providing sustainable services to communities through optimal and professional deployment of resources and enhancing economic development, and a safe and healthy environment.

VALUES

Accountability, transparency, honesty, integrity, accessibility, fairness, dignity and respect, professionalism, co-operation and trust.

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FOREWORD BY HER WORSHIP THE MAYOR



The Annual Report for 2012/2013 financial year is my third Annual report since I took the office in 2011. As the government sphere that is accountable to the people the Municipal Finance Management Act No. 56 of 2003 as well as the Municipal Systems Act is mandating me as the Mayor to present this annual report that will detail all the municipality's financial activities of the financial year 2012/2013. The report must also assess and measure the performance of the Municipality against approved budget as well as the anticipated targets set out in the Municipal IDP as well as the SDBIP. All those activities will enable us to detect the bottlenecks in terms of financial planning and implementation and the planned efforts to curb those identified challenges.

Other than the above, the annual report is also a sign that we are accountable to the community whose taxes and rates are used to conduct municipal day to day businesses. Legislatively the community are part of every decision making with regards to the affairs of the municipality and they must have an access to the information that will clearly indicate that all monies of the municipality were spent according to their needs. The Annual report must also details of how the municipality is doing in terms of promoting Local Economic Development that will assist in fighting poverty, unemployment, infrastructure backlog as well as enough resources that will deployed to improve service delivery.

The establishment of Clean Governance Committee will ensure that by the time the Auditor General's report comes we will be smiling, possibly a Clean Audit. I must also commend the Councillors, Management, Stakeholders and the community at large for the support that they have given to the municipality in ensuring that despite some challenges the Greater Kokstad Municipality is still giving services to the people. So it is my pleasure to present this Annual Report for 2012/2013 financial year.

Yours in Service Delivery

CLLR. T.N. JOJOZI
Her Worship the Mayor of the Greater Kokstad Municipality

CLLR T.N. JOJOZI

MAYOR: GREATER KOKSTAD MUNICIPALITY

MESSAGE FROM THE SPEAKER OF THE COUNCIL



The presentation of this Annual Report marked the end of another year for the current Council elected into office in 2011. As the Speaker of the Council I am very grateful about the level of Community Participation within the Greater Kokstad Municipality. This annual report sheds the light on the financial activities of the 2012/2013 financial year. We are doing this with passion and the fulfillment of the Municipal Systems Act that gives a directive to Council about the participation of the communities in the affairs of the municipality. This office must also ensure that there is a linkage between the municipality and the community while also ensuring that community interests are accurately represented within the municipality by making sure that Portfolio Committees are sitting and are doing proper oversight to the municipality.

The financial year 2012/2013 also saw the municipality staging one of the most successful Mayoral Imbizo whereby the community engaged directly with the municipality on issues of service delivery. We got the real feeling about the issues of concern from the community. We were also encouraged to hear that people are noticing the good work that is done by the municipality. All the projects presented there were taken from our IDP and were requested by the people. Housing was the main challenge on the day and we had the Human Settlement Department representative who took all the concerns to the province.

I will end by saying that in all circumstances that we were facing in 2012/2013 we managed to render basic services to the people and we will continue to do so because what matters to us is what is wanted by the people of Kokstad, which is service delivery.

I thank you


CLLR. Z.A. MHLONGO
Speaker of the Greater Kokstad Municipality

CLLR Z.A. MHLONGO
SPEAKER OF THE GREATER KOKSTAD MUNICIPALITY

MESSAGE FROM THE MUNICIPAL MANAGER



The financial year 2012/2013 presented a serious challenge to the office of the Municipal Manager. As an Accounting Officer I had to be on top of things in all administration issues in order to restore the pride from the setback of 2011/2012 financial year. The appointment of the Clean Audit Committee was another positive step in trying to rectify what led to the negative Audit opinion in 2011/2012. In presenting this Annual Report I wish to join the Political Leadership and present this Annual Report to the community and all other relevant stakeholders as mandated by Section 21 of the Municipal Finance Management Act.

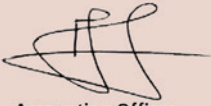
During 2012/2013 the Greater Kokstad Municipality continued to plan and execute its business in line with National KPAs including the six provincial KPA which are:

- Basic Service Delivery and Infrastructure
- Local Economic Development
- Financial Viability and Management
- Institutional Development and Transformation
- Good Governance and Public Participation
- Spatial Planning and Environmental Management

The above made sure that we stuck to what was going to be useful to our community as we are changing their lives on a daily basis. Even though we had challenges towards the end of the financial year but we kept the municipality running and services were continuing to be given to the people as promised. We fully implemented the projects that were budgeted for through our IDP. We hope that even the community will be happy to see that each cent was spent on their needs.

So, please receive the 2012/2013 Annual report that is unpacking all the activities that were carried out by the Municipality during the said financial year.

Always willing to serve you



Accounting Officer
Mr F.T. Nxumalo

MR F.T. NXUMALO
MUNICIPAL MANAGER

REPORT BY THE AUDIT COMMITTEE CHAIRPERSON

Report by the Audit Committee

We are pleased to present our report for the financial year ended 30 June 2013.

1. Audit Committee Members and Attendance

In terms of the Municipal Finance Management Act (MFMA) Section 166 and the Greater Kokstad Municipality's Audit Charter, the Audit Committee must comprise at least three members. None of the members may be Councillors. The Audit Committee comprises of the members listed hereunder and meets at least four times per annum as per its approved Charter.

Table 1.1: The following meetings took place from July 2012 to June 2013.

Number	Date	Coverage
1	20 July 2012	Ordinary Audit Committee Meeting
2	24 August 2012	Special Audit Committee
3	19 October 2012	Assessment – Internal Audit & Audit Committee
4	16 November 2012	Quarterly meeting
5	07 December 2012	Special Audit Committee
6	18 January 2013	Ordinary Audit Committee Meeting
7	15 February 2013	Special Audit Committee
8	12 April 2013	Ordinary Audit Committee Meeting
9	27 June 2013	Special Audit Committee

Table 1.1: Audit Committee Meetings - attendance of members July 2012 – June 2013

No.	Member of Committee	Position	Number of Scheduled Meetings	Number of Meetings Attended
1	Mr S. Nombembe	Chairperson	9	9
2	Mr T. Radebe	Member	9	9
3	Mr A. Jordan	Member	9	6
4	Mr S. Myeni	Member	9	7

The audit committee members have attended meetings with various other stakeholders within the municipality including the Executive committee, Council, Performance Management Workshops, Internal Audit and the Auditor General.

2. Audit Committee's Responsibilities

The Audit Committee's responsibilities are outlined in Section 166(2) (b) of the Municipal Finance Management Act, Act 56 of 2003. The Audit Committee reviewed and formally adopted the Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The Audit Committee is satisfied that it has complied with its responsibilities and has discharged them properly and efficiently.

From the various reports of the Internal Auditors, the Annual Financial Statements, the Audit Report and management letter of the Auditor-General, it was noted that there were a number of significant and/or material non-compliance with prescribed policies and procedures reported.

We have reviewed managements action plans to address the identified weaknesses and are satisfied that if properly and timeously implemented will address such weaknesses in internal controls and procedures.

4. Performance Management System

Members of the Audit Committee participated in the Performance Assessment of Senior Management Staff.

They participated in the performance assessment both mid-term and annual of the following officials:

- Municipal manager;
- Section 56 managers; and
- Managers reporting directly to the Section 56 managers

Based on our observation, we are satisfied that the assessments were carried out in a manner that was fair, objective and in terms of the GKM policies. Recommendations have been made to management for possible improvements to the manner in which the assessments are conducted. From these assessments management still need to develop an action plan to address the findings and recommendations of the audit committee.

We did review both the revised Performance management Framework and Policy during the year. A PMS workshop was held in October 2012 to review both documents and the Audit Committee participated.

The Audit committee has reviewed Internal Audit reports on the GKM quarterly performance. Some of the findings of the Auditor General on Performance Management were identified in these reports.

We have noted the negative findings by the Auditor General on its review of the GKM Performance Management System. We did monitor the implementation by management of their action plans to address matters identified in the last audit report.

5. Quarterly Report submitted in terms of the MFMA

The Audit Committee received and reviewed the financial management quarterly reports prepared and issued by the Accounting Officer and management during the year under review.

We have made recommendations for improvements to the content and quality of the reports.

6. Risk assessment and Fraud prevention

The municipality participated in a risk assessment workshop led by the provincial Treasury during the year. The outcomes of the session were presented to the Audit committee and were taken into account in the development of the Internal Audit plan for the new financial year

The municipality produced a risk management framework which was approved by council.

The Audit committee is awaiting the finalisation of the terms of reference for the Risk Management Committee to determine the extent to which to place reliance its work.

7. Evaluation of Annual Financial Statements

The Audit Committee has:

- evaluated the audited Annual Financial Statements to be submitted to the Auditor General for audit purposes and, based on the information provided to the Audit Committee could not satisfy itself that the said statements comply in all material respects with the requirements of the MFMA and Treasury Regulations as well as South African Statements of Generally Accepted Accounting Practice (GAAP) and certain statements of Generally Recognised Accounting Practice (GRAP) and statements of Generally Accepted Municipal Accounting Practice (GAMAP).
- reviewed the accounting policies and practices;

8. Conclusion



Mr S. NOMBEMBE
Chairperson: GKM Audit Committee

Sikumbuzo Nombembe
Chairperson: GKM Audit Committee

Chapter1

INTRODUCTION AND OVERVIEW



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Introduction

The Greater Kokstad Municipality is, in accordance with the legislative requirements of the Local Government: Municipal Systems Act, (Act No. 32 of 2000) and the Municipal Finance Management Act (Act No. 56 of 2003), required to report on the performance of the Municipality and present the financial statements for the year 2012/2013. The most important documents tabled by the Municipality are the Integrated Development Plan (IDP), the Budget and the annual report. The IDP and Budget set out what the Municipality intends to do and how the funds will be spent during a financial year, while the annual report reflects on actual performance and implementation of the IDP and Budget during that year.

The annual report is a key performance report to the community and other stakeholders that reflects a true, honest and accurate account of the goals set by Council and the success or otherwise in achieving these goals. It includes a range of financial and non-financial information that collectively forms an authoritative and historic record of the activities and performance of the Greater Kokstad Municipality for the 2012/13 financial year.

Legislation

The 2012/13 Annual Report for the Greater Kokstad Municipality has been compiled in accordance with section 46 of the Municipal Systems Act (Act No. 32 of 2000), Section 121(3) of the Municipal Management Act (Act No. 56 of 2003) and National Treasury MFMA Circular No. 11.

Section 46 of the Municipal Systems Act states that:

- (1) A municipality must prepare for each financial year an annual report consisting of -
 - (a) A performance report reflecting -
 - (i) The municipality's and any service providers, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;
 - (ii) The development and service delivery priorities and the performance targets set by the municipality for the following financial year; and
 - (iii) Measures that were or are to be taken to improve performance;
 - (b) The financial statements for that financial year prepared in accordance with the standards of generally recognized accounting practice referred to in section 89 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);
 - (c) An audit report on the financial statements and the report on the audit performed in terms of section 45(b); and
 - (d) Any other reporting requirements in terms of other applicable legislation.
- (2) A municipality must table its annual report within one month of receiving the audit report referred to in subsection (1)(c).

The preparation and adoption of annual reports is clearly defined in Section 121 of the Municipal Finance Management Act.

Section 121(1) and (2) states that:
Every municipality and every municipal entity must for each financial year prepare an annual report in accordance with this Chapter. The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.

- (2) The purpose of an annual report is -
 - (a) To provide a record of the activities of the municipality or municipal entity during the financial year to which the report relates;
 - (b) To provide a report on performance against the budget of the municipality or municipal entity for that financial year; and
 - (c) To promote accountability to the local community for the decisions made throughout the year by the municipality or municipal entity.

Overview of the Greater Kokstad Municipality

Synopsis

Situated in the south-west segment of KwaZulu-Natal, the Greater Kokstad Municipality (KZN433) is part of the Sisonke District Municipality (DC43)(Figure 1). The municipal area is bordered by Kwa-Sani Local Municipality to the north, uMzimkhulu Local Municipality to the east, uMzimwabantu Local Municipality to the south-east, uMzimvubu Local Municipality (under the jurisdiction of the Eastern Cape) to the south and Matatiela Local Municipality and Lesotho to the west. The Municipality is classified as a local authority which forms the third sphere of government.

There is a good road network through the area with the national N2 providing the central link to Durban via Port Shepstone in KwaZulu-Natal and Umtata in the Eastern Cape. The R617 connects the urban centres within the municipal area as well as being the gateway to the tourism area along the southern uKhahlamba Drakensberg World Heritage Site. The other major route is the R56 that links Kokstad with Pietermaritzburg via Ixopo.

The land use is predominately agricultural with indigenous forests, areas of biodiversity and four urban nodes, Kokstad town, Bhongweni, Franklin and Swartberg. Kokstad is the major economic centre for the area and the hinterland that relies on Kokstad is vast, reaching far into the Eastern Cape territory which is characterised by substantial poverty, unemployment, lack of services, poor infrastructure, declining health and welfare and HIV/Aids.

Over 87% of the population is African followed by small percentages of Coloured, White and Indian respectively. More accurate population figures and other statistics are now available to the Municipality with the release of the 2011 Census figures. However, the impact of HIV/Aids and the high migration from the Eastern Cape areas still presents an enormous challenge to the Municipality with regard to planning and providing basic services and employment opportunities to the communities.

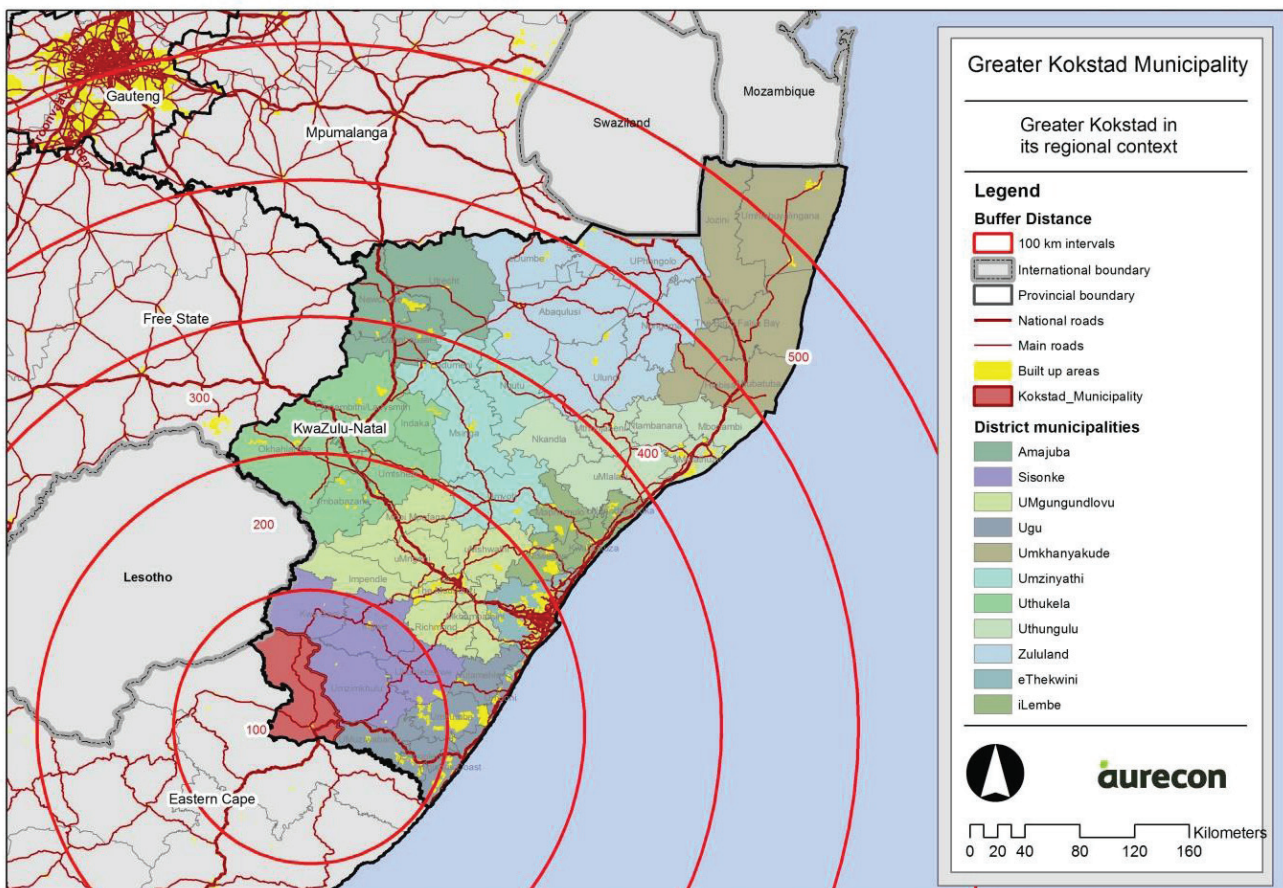


figure 1.

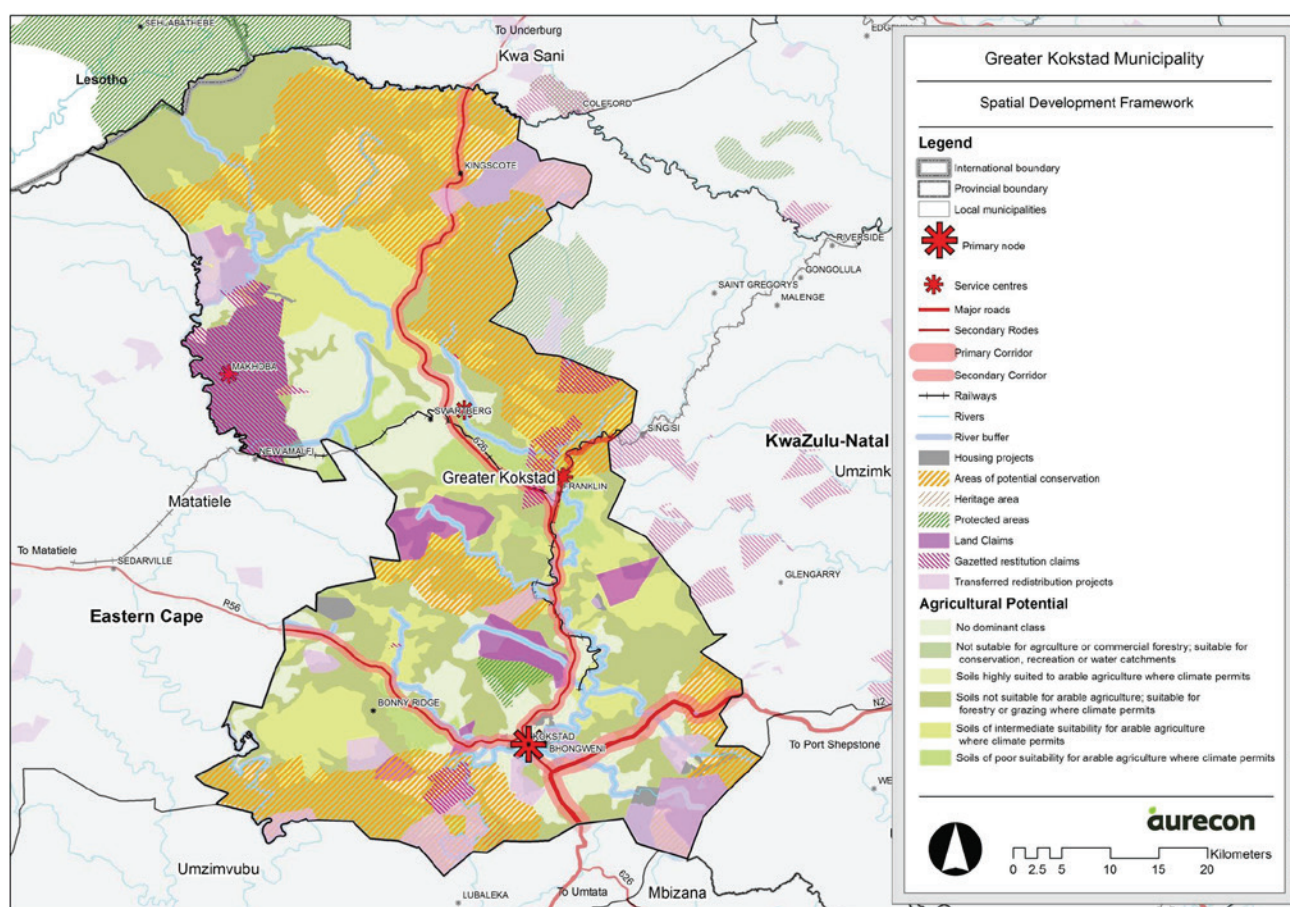


figure 2.

Geographic profile

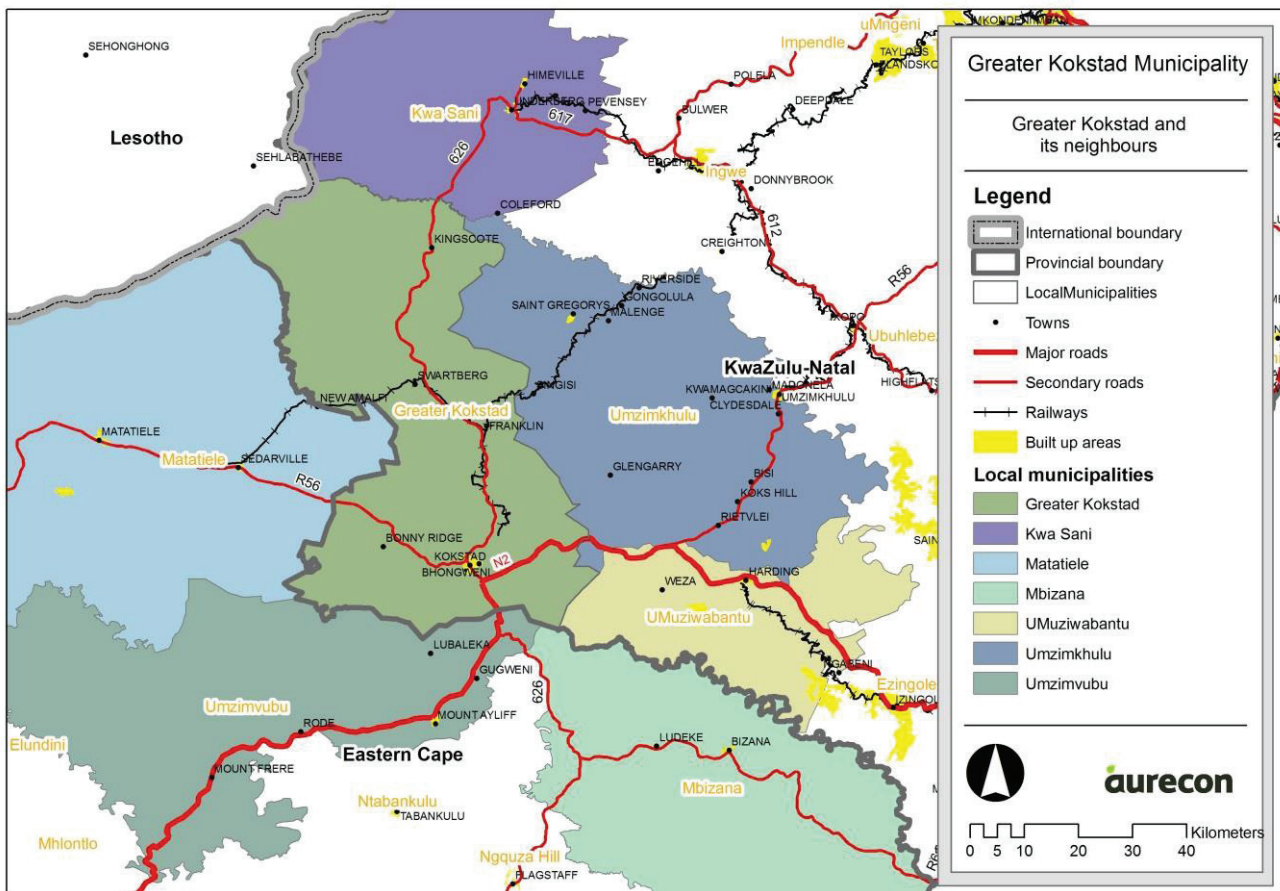
1. Locality

The Greater Kokstad Municipality forms part of the Sisonke District Municipality area (DC43), which lies on the south-west tip of KwaZulu-Natal, bordered by Matatiela Local Municipality on the west, Lesotho and part of Eastern Cape on the north-west. The Greater Kokstad Municipal area of jurisdiction is approximately 2 679,8370 square kilometres in extent (Figure 2).

The Greater Kokstad shares its borders with KwaSani and uMzimkhulu Local Municipalities in the Sisonke District Municipality; uMzimwabantu Local Municipality of the Ugu District Municipality and Matatiela, uMzimvubu and Mbizana Local Municipalities of the Eastern Cape Province. It is one of the five municipalities that make up the Sisonke District Municipality. Greater Kokstad Municipality functions as the district node and dominant commercial centre in the Sisonke District (Figure 3). Areas of urbanisation in the Greater Kokstad Municipality comprise of Kokstad Town, Bhongweni, Franklin and Swartberg. Land uses within these areas are typically urban mixed uses with acceptable levels of infrastructure and service development and a minimal provision of social facilities and services to support the resident populations. Industrial development is concentrated in Kokstad Town.

The Greater Kokstad Municipality is crossed by a number of important transportation routes, such as the N2 Development Corridor that links the area to the major economic hubs such as Port Shepstone and Durban in the KwaZulu-Natal Province and Umtata in the Eastern Cape Province. The town of Kokstad has a good location being on the N2 between the north-east and Umtata in the south. Other regional access roads include the R56 to Cedarville and Matatiela in the west and the R617 to Franklin, Swartberg, Underberg and Pietermaritzburg in the north of the Municipality.

The Municipality is reliant on the agricultural sector for its economic well-being. This sector contributes a considerable amount of the gross geographic product of the area and employs the majority of the workforce. Almost two thirds of the agricultural land is allocated to livestock (beef, sheep and dairy) but stock theft and decline in economic viability of dairy herds is a problem. The population distribution in the municipal area is characterised by relatively high population densities within the urban node, and low densities in agricultural areas as largely stock farms.



Presently Kokstad Town, as the main economic hub for the area, comprises various government sectors, all basic shopping facilities, doctors, churches, bed and breakfast and community facilities such as halls, recreational centres and superb homes in a quite relaxed environment (Figure 4).

Secondary nodes within the area include Franklin with some housing, very limited commercial and railway yards; and Swartberg which is a rural agricultural service node. Greater Kokstad is underlain in the most part by mudstone; small portions of the Municipality are underlain by dolerite. The extreme southern areas are underlain by shale while the extreme northern areas are underlain by the basaltic lava flows. The soils in the Municipality are highly variable ranging from deep, highly leached, strongly acid soils to shallow badly drained soils. Where soils are shallow, fertility is low but they have good physical properties.

2. Topology.

The topography of the area is gently to moderately rolling over large areas but with some mountainterrain. The Drakensberg Mountain Range in the north-west was formed through millions of years of constant erosion of the extensive awe-inspiring basalt cliffs.

Climate

Rainfall in the area varies between 620mm to 1265mm annually, with most rainfall mainly occurring during midsummer. The lowest rainfall (average – 3mm) is normally during June and the highest (average – 108mm) during February. The average midday temperatures range from 17.8°C in June to 28°C in January although temperatures have reached 38°C on occasions. The region is the coldest in July and August when the mercury drops to 1°C on average. Severe frosts and heavy snowfalls are common in winter and snowfalls can even occur in the higher altitude areas in spring and early summer.

3. Hydrology

The municipal area is characterised by existing wetlands, rivers and streams traversing throughout the municipal area. Surrounding the wetlands are areas of scenic beauty with potential for tourism-related activities. These wetlands are of particular importance as they play an integral role in water recycling. The majority of the Municipality falls within the Mzimvubu Catchment. Important river systems in the Greater Kokstad Municipality are the Mzimvubu, Riet, Krom, Pampeonspruit, Dotela, Mzintlanga, Mill Stream, Manzinyama, Doewig and Mzintlava Rivers. These rivers not only contribute to the scenic beauty of the Municipality, but are also important resources for the survival of most of the communities in the area.

4. Environmental management areas

Heritage is a legacy from the past that is to be enjoyed but must be passed on to future generations. Cultural and natural heritage are both irreplaceable sources of life and inspiration and the municipality is fortunate to be endowed with both – the Drakensberg Mountain Range to the northwest as well as various products of archaeological importance e.g. the old buildings, various sites with historical markings, paintings. The uKhahlamba Drakensberg Park (UDP) was listed as a World Heritage Site in 2000 and proclaimed in December 2007 and is only one of two sites in Africa to be listed under both natural and cultural criteria. In order to protect the outstanding universal natural and cultural values, the exceptional biological diversity and detailed rock art, and manage and sustain the production of high quality water, areas adjacent to the Park have been included in a Buffer Zone to control usage. In the interim, the "Special Case Area Plan for the Drakensberg" or SCAP produced by the Provincial Planning and Development Commission applies.

Due to the proximity of the UDP, a portion of the Municipality has been designated as Buffer Zone and this is reflected in the Spatial Development Framework. The Municipality respects the designation and associated proposed development controls in order to protect the natural and tourism values of the uKhahlamba Drakensberg Park World Heritage Site. The UDP opens up enormous tourism opportunities and contributes to the local economy by securing economic participation through this sector. The Municipality includes buffer, conservation and agriculture zones of the SCAP. The rugged mountainous terrain and the contrasting grassland of the Greater Kokstad Municipality provide a scenic quality to it. The area has a natural resource base that has not been exploited by development except for the residential areas that utilise the natural resources for their daily survival. These resources could however, if well managed contribute to the economic development of the Municipality.

The development of the special management area and its border should be managed, as these areas are environmentally sensitive and contribute to the natural scenic beauty of the Municipality. Opportunities exist however, for the establishment of community conservation and private game farm options within these conservation designated areas, as well as for the development of community run lodges and accommodation facilities.

The future development of the Municipality is impacted by the following environmental issues and challenges:

- Poor land management due to overgrazing and inappropriate cultivation methods has resulted in erosion and degradation of veld and pastures.
- Water pollution as a large portion of the communities are reliant on the rivers for their daily activities such as human and animal consumption, washing clothes and vehicles and recreation.
- Fires as a result of dense vegetation and invasive alien vegetation that is exacerbated by the dry winters and prolonged periods of drought.

Demographic Analysis

1. Population

Statistics South Africa's 2001 Census, the Community Survey of 2007, the Demarcation Board data and Statistics South Africa's 2011 Census have been used for the demographic and the economic information in this section.

Table 1.1 : Population size and households for Sisonke District Municipality and Greater Kokstad Municipality

	Population 2001	Population 2007	Population 2011	Households 2001	Households 2007	Households 2011
Sisonke District	456 506	500 082	461 414	103 264	105 659	112 282
Greater Kokstad	56 528	46 724	65 975	19 625	14 321	19 142

Table 1.2 : Population distribution per race (percentage of total population)

	Sisonke DM 2001	Sisonke DM 2007	Sisonke DM 2011	GKM 2001	GKM 2007	GKM 2011
African Black	93.12	93.40	96.75	86.80	82.00	87.15
Coloured	3.16	2.50	1.63	7.06	12.80	8.19
Indian or Asian	0.38	2.10	0.33	0.66	1.20	1.11
White	3.34	2.00	1.16	5.48	4.00	3.32
Other						0.23
Total	100.00	100.00	100.00	100.00	100.00	100.00

Table 1.1 illustrates the overview of the population size and densities within Sisonke District and the Greater Kokstad Municipality. According to the Household Survey of 2007, the Greater Kokstad Municipality had a population growth reduction rate of -3.5% from 2001. However, the Census data from 2011 shows a population growth of 1.55% from 2001 until 2011, while the Sisonke District only has a 0.20% growth increase for the same period.

The distribution of the population based on racial groups is illustrated in Table 1.2. The statistics depicted in Table 1.2, show that the black African community is dominant in the Municipality followed by coloured, then the white community. Indians or Asians are the smallest community in the Municipality. There was a reduction from 2001 to 2011 in terms of white population members, with a slight increase over all other population groupings.

As shown in Figure 5, the Greater Kokstad population is relatively young with 79.14% of the population below the age of 39 and 51.45% of this group is under the age of 20 which indicates a high dependency rate on those that are economically active. The segment of the population falling within the 20 – 69 groups (57.61%) would essentially be classified as the potentially economically active population of the Greater Kokstad Municipality.

The Municipality has a relatively small percentage of elderly people (1.66%), which brings to question whether people are not living to an old-age or whether this generation has left the area to enjoy old age elsewhere or whether the family homes of the younger population are situated outside the municipal area. The main language spoken in the municipal area is isiXhosa (69.5%) with English, isiZulu and Afrikaans the dominant minor languages. This is different from the Sisonke District where isiZulu is by far the most prevalent language (62.3%) followed by isiXhosa at 28.4%.

2. Households and Infrastructure

The number of households in the Greater Kokstad Municipality has decreased since 2001 which may have resulted in the increase of the average household size from 2.7 to 3.1 inhabitants. However, the number of formal dwellings has increased significantly from 67.4% to 83.6% in 2011. There have been substantial improvements in the supply of electricity to households and the availability of piped water within the dwelling since 2001. The number of households with electricity has increased from 49.9% to 80.7% in 2011, while 36.1% have piped water compared to 14.7% in 2001. However, 22.9% of households are still reliant on water from community stands and 2,36% have no access to piped water.

Table 1.3 : Levels of education for Sisonke District Municipality and Greater Kokstad Municipality

Municipality Area	Levels of Education							Total
	No schooling	Pre-school	Junior school/ABET	Secondary school/ABET	NTC & N Levels	Technikon University	Other	
Sisonke District Municipality	20.18	12.59	27.23	36.74	1.12	2.05	0.09	100.00
Greater kokstad Local Municipality	16.12	9.62	21.17	45.93	2.51	4.53	0.12	100.00

3. Education

Nearly forty-six percent (45.93%) of the population in the Greater Kokstad Municipality have a secondary level of education, as indicated in Table 1.3. In total the Greater Kokstad Municipality has approximately 52.97% of the population that has some form of schooling from secondary education to tertiary level. This is positive for the Municipality because it provides a skills base for the area that requires minimum training. As indicated in Figure 7, the percentage of the population with a higher level of education has risen in the Greater Kokstad Municipality. However, there is still a concern that 16% of the population have no schooling. One of the explanations to which this could be attributed is the challenge of accessibility to schooling, especially in rural areas, as well as the high migration of people into the area.

3. HIV / Aids

There is a lack of clear and reliable data regarding HIV at a local municipal level. However, it is nonetheless clear that it is a very serious issue and should be incorporated into whatever strategies or developments that are undertaken in the area. Typical impacts of HIV/Aids on planning and development are as follows:

- Population growth and the structure of the population will change in terms of age and gender;
- Demand for services such as school, housing and health care facilities will change;
- Decreased productivity of workers;
- Impact on capacity of institutions;
- Spatial implications; and
- Impact on the local economy.

HIV is a problem that all levels of government need to address as a collective, due to the enormity of the problem. The Greater Kokstad Municipality has worked closely with the Department of Health to develop strategies to assist the affected and infected population.

The number of sites where people can access ARV medication has been increased by the Department of Health. The Municipality, together with other stakeholders, has launched the Local Aids Council and thereby enforcing its commitment to realising a community free from Aids.

Economic Profile

1. Population

With the largest economic centre within the Sisonke District Municipality and adjacent areas of the Eastern Cape, the Greater Kokstad Municipality has progressed into a regional service and logistics hub for the vast hinterland extending into the Eastern Cape.

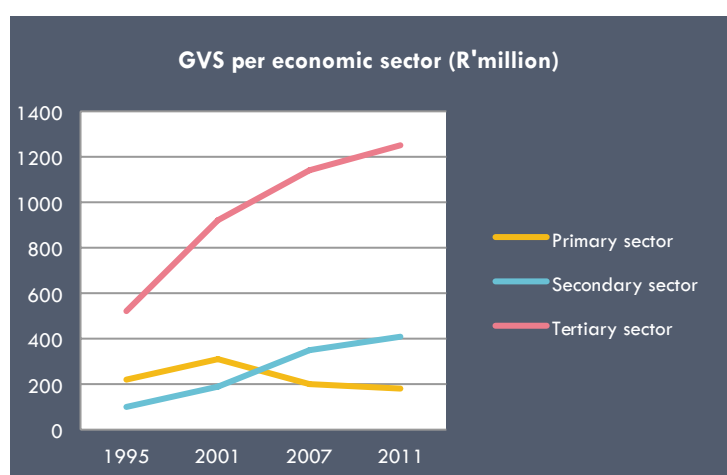
Economic performance of a municipal area's economic system in terms of, factors such as production activity can be measured by the Gross Value Added (GVA). The analysis will focus on the GVA produced by the primary, secondary and tertiary economic sectors over time; the GVA produced by each economic sector in the municipality and compare the GVA of the GKLM to the Sisonke DM, the KwaZulu-Natal province and the country as a whole.

The primary sector of the economy involves changing natural resources into primary products. Most products from this sector are considered raw materials for other industries. Major businesses in this sector normally include agriculture, agribusiness, fishing, forestry and all mining and quarrying industries.

The secondary sector generally takes the output of the primary sector and manufactures finished goods or where they are suitable for use by other businesses, for export, or sale to domestic consumers. This sector is often divided into light industry and heavy industry. The sector is made up of manufacturing, electricity, gas and water, and construction.

The tertiary or services sector consists of the "soft" parts of the economy, i.e. activities where people offer their knowledge and time to improve productivity, performance, potential, and sustainability. The basic characteristic of this sector is the production of services instead of end products. Businesses in this sector include wholesale and retail trade, catering and accommodation, transport, storage, communication, finance, insurance, real estate, business services, community, social and personal services, and general government.

While the Greater Kokstad Municipality area has a large labour force, there is a high number of people who are not economically active (44%).



This will impact negatively on the economy of the area and have serious implications for future employment. According to Census 2011, the percentage of the employed population earning less than R6 367 per month decreased from 88% to 74.5% but unemployment has increased. The 11.9% of the population earning between R6 367 and R12 817 per month were predominately from the Government and Community Services sector and were found to reside outside the municipal area. Thus a large portion of this income was actually lost to the local economy.

Spatial Realities

Due to the Municipality's strategic location in the area and easy accessibility, there is a high migration of people from the Eastern Cape and adjacent areas, as well as Lesotho, in search of employment opportunities. These areas are characterised by substantial poverty, unemployment, lack of services, poor infrastructure, declining health and welfare services, and depressed economies. This is a key issue of concern as the unemployment rate, lack of skills, HIV/AIDS, crime and substance abuse all increase. It has resulted in the Municipality having to fulfil very important economic and social functions and is faced with the challenge of planning and providing basic services and housing as well as creating employment opportunities for a workforce with a skewed skill level.

This is supported by the KwaZulu-Natal Provincial Growth and Development Strategy that identifies Kokstad Town as an important node in the support of the large rural hinterland and development of poor rural areas.

The relatively young population signifies high potential for population growth in the future which further exacerbates the supply and demand scenario for more housing, education and health services in the foreseeable future. This means that the Municipality, sector departments and NGOs must direct their development plan in favour of the youth. It also reflects that there must be improved intake of social security grants especially the child support grants within the municipal area.

Another major spatial challenge facing the Municipality is illegal occupation of land for housing purposes. However, the implementation of the Land Use Management System and the preparation of by-laws will enable the Municipality to control and use and apply through the legal system to demolish any structure that is in contravention of its Land Use Scheme. This will contribute towards orderly and harmonious development and will also take into account the sensitive relationship between the built and natural environment. The following spatial characteristics, issues and challenges impact on the future development of the Greater Kokstad Municipality and have been taken forward in the IDP Process:

- Illegal occupation of land for informal housing purposes and the mushrooming of informal settlements on floodline and protected wetland areas. In most cases the conditions are unfavourable with no access to water and basic sanitation.
- Substantial backlogs in supplying infrastructure as well as upgrading and continual maintenance of existing infrastructure.
- There is minimal integration of environmental, land use and transport management systems.
- A need exists to redirect growth and development to the previously disadvantaged areas and areas of economic opportunity while focusing on the redevelopment of deteriorating areas within the municipal area.
- There has been a substantial increase in the number of illegal small business operators that are conducting business from home without permission. This has given rise to traffic and safety problems as these areas were not designed for such purposes.
- Infrastructure like roads, electricity and telephones, as well as all the main services are in the urban areas. Services and infrastructure in the rural areas are in a poor condition or non-existent.
- The inability to identify suitable land for a landfill site and the lack of waste collection for rural households poses a serious threat to the environment.
- The lack of an energy master plan for operating within the electricity capacity and providing for alternative energy sources.
- Health care facilities are not conveniently located or inaccessible due to the poor condition of roads and there are insufficient mobile clinics servicing the areas.
- The lack of funding and the non-alignment of municipal and government department budgeting and planning processes continue to provide challenges.

Land Reform

The implementation of the land reform programme within the Greater Kokstad Municipality has been very sedentary although a number of land claims have been lodged. The Kokstad Commonage redistribution project is the only claim to have been transferred. Priority is now concentrated on the redistribution in the Pakkies area.

The main components of land reform with specific reference to the Greater Kokstad Municipal area are that:

- A strategy for the distribution of information on land reform to stakeholders and possible beneficiaries. It is anticipated that existing representative structures such as the Farmers Associations, Kokstad Chambers of Commerce and the larger commercial landowners should remain the focus for this exercise from where the information can filter down to grassroots levels; and
- As most of the areas in the Greater Kokstad are under the control of a farming community, land reform becomes complicated. The Land Reform Legislation does not cater for the land extension within the sub-region. Land Reform will contribute to the increased opportunities for commercial farming thus aiding in the economic development of the Greater Kokstad Municipality.

Waste Management

The Greater Kokstad Municipality has a draft Integrated Waste Management Plan and, together with other government stakeholders, it has implemented the "Food for Waste" programme which is a progressive approach that addresses poverty and waste management together. An important priority and crucial issue for the Municipality is that the Municipality is in the process of developing a new land fill site which is located north east of the town. This will ensure that the community is no longer exposed to air and noise pollution that is a result of the existing landfill site.

Chapter2

GOVERNANCE



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Introduction

Political Governance

The Council is empowered and responsible for the political mandate and decisions in terms of the Constitution and other relevant legislation. As the highest decision making authority, Council must work within the legislative mandate of the following Acts:

Governing Legislation

- The Constitution of the Republic of South Africa 1996, Act No. 108 of 1996;
- Local Government: Municipal Systems Act, Act No. 32 of 2000;
- Local Government: Municipal Structures Act, Act No. 32 of 2004;
- Local Government: Municipal Finance Management Act, Act No. 56 of 2003 and Treasury

Regulations;

- KwaZulu-Natal Planning and Development Act, Act No. 6 of 2008;
- Local Government: Municipal Property Rates Act, Act No. 6 of 2004;
- Local Government: Municipal Property Rates Amendment Act, Act No. 19 of 2009;
- National Housing Act, Act No. 107 of 1997;
- National Road Traffic Act, Act No. 93 of 1996;
- National Water Act, Act No. 36 of 1998;
- Waste Act, Act No. 59 of 2008;
- Electricity Act, Act No. 41 of 1987
- KwaZulu-Natal Provincial Roads Act, Act No. 4 of 2001
- National Environmental Management Act, Act No. 107 of 1998;
- National Environmental Management Protected Areas Act, Act No. 57 of 2003;
- National Heritage Resources Act, Act No. 25 of 1999;
- Disaster Management Act, Act No. 56 of 2000;
- Traditional Leadership and Governance Framework Act, Act No. 41 of 2003;
- Communal Land Rights Act, Act No. 11 of 2004;
- Division of Revenue Act, Act No. 1 of 2010.

Compliance

- Labour Relations Act, Act No. 66 of 1995;
- Basic Conditions of Employment Act, Act No. of 1997
- Employment Equity Act, Act No. 55 of 1998
- Skills Development Act, Act No. 81 of 1998;
- Skills Development Levies Act, Act No. 28 1999;
- Preferential Procurement Policy Framework Act, Act No. 5 of 2000;
- Broad-Based Black Economic Empowerment Act, Act No. 53 of 2002;
- Occupational Health and Safety Act, Act No. 85 of 1993;
- State Information Technology Agency Act, Act No. 38 of 2002.

Administrative Governance

The Municipal Manager is the accounting officer of the Municipality and as such guides and supports the political structures and political office bearers. The Municipal Manager ensures that the officials of the Municipality implement the decisions made by the Council.

Council Members (01 July 2012 - 30 June 2013)



Cllr. N. T. Jojozi
Honourable Mayor



Cllr. B.M Mtolo
Deputy Mayor



Cllr. Z.A Mhlongo
The Speaker



Standing (from left): Cllr. T.M Mhlakoana, Cllr. P.X. Xelitole, Cllr. L..J Sithole, Cllr. N.T Mqikela, Cllr. N.C Nyembezi, Cllr. M.M Nondabula, Cllr. N. Mavuka, Cllr. V. Ncukana, Cllr. T.O Maikizela, Cllr. J.L. Kotting, Cllr. M.N Dlakavu. Seated (from left): Cllr P Nocanda, Cllr. Z.A. Mhlongo (speaker), Cllr. T.N. Jojozi (Mayor), Cllr. B.M. Mtolo (Deputy mayor), Cllr. F.A. Rogers (EXCO Member)

Intergovernmental Relations

To ensure that government funding is utilised efficiently and service delivery is integrated, the Municipality must participate in all relevant provincial and national government forums. This participation avoids any duplication in services and assists with improving and prioritising the delivery of services. It also enhances job creation, economic development and effective use of public resources. The IDP must also be aligned to national and provincial policies.

Public Accountability and Participation

As required by the Constitution, the Municipal Council must conduct its business in an open manner and its objectives must be to encourage communities and community organisations to be involved in local government matters. Further the Municipal Systems Act states that municipalities must encourage and create conditions for the local community to participate in the affairs of the Municipality.

It is essential that the review process of the IDP and preparation of the Budget transpires in conjunction with other spheres of government and stakeholders. The stakeholders in the IDP process include anyone with an interest in the integrated development of the Municipality.

Greater Kokstad Municipality

The executive and legislative authority of the Greater Kokstad Municipality is vested in the Municipal Council. The Council is comprised of 16 Councillors of which 8 are directly elected ward councillors and 8 are proportional representative councillors. These include the Mayor, Deputy Mayor and the Speaker. The Council has the right to govern, on its own initiative, the local government affairs within its boundaries but has a duty to encourage the involvement of the local community. It exercises its authority by developing and adopting policies, plans, strategies and setting targets for delivery within its financial and administrative capacity. The Speaker chairs and maintains order during Council meetings and ensures that Council and committees comply with the Code of Conduct for Municipal Councillors.

The executive authority of the Municipality is implemented through an Executive Committee, which is comprised of 3 members. The Exco has delegated absolute authority to exercise the powers, duties and functions of the Council, excluding those directives delegated specifically to other standing committees and those wholly resolved to the Greater Kokstad Municipality. The Greater Kokstad Council meets on a quarterly basis while the Exco meets monthly.

The functioning of the Executive Committee is supported by 3 committees in response to Section 79 of the Municipal Systems Act, Act No. 32 of 2000, namely the Finance, Infrastructure, Planning and Development Committee, Governance Committee and Social Development/Community Services Committee. The committees are structured in accordance with national guidelines and fulfill oversight functions. They convene on a monthly basis to consider and discuss matters pertaining to their respective portfolios and continue to assist the Exco in policy development and monitoring in order to accelerate service delivery. The Audit Committee meets quarterly and submits reports to Exco.

The Municipal Manager and Section 57 Managers (in terms of the Municipal Systems Act, Act No. 32 of 2000) represent the Municipality's administration at the meetings of the above committees. They convey the status of targets and achievements as mandated by the community and Council.

The Municipality has established a ward committee within each of the 8 Wards and are chaired by the Councillor representing the respective ward in Council. These committees were formulated to enhance participatory democracy in local government, especially with regard to their relevant ward. Committee members are provided with opportunities to develop and build capacity which enables them to effectively perform their functions. This also augments the understanding and appreciation of developmental local government within the wards. The challenge remains to improve their understanding of the IDP process and how the municipal systems operate and policies are formulated. To encourage community participation in matters of local government and all programmes, Council holds meetings and forums at different venues within the Municipality area. Public attendance at Council meetings is encouraged so that interested and concerned citizens have the opportunity to monitor decisions made by the elected body.

The Makhoba Rural Area is the only traditional area within the Greater Kokstad Municipality and the political structures have a good working relationship with Inkosi Makhoba. Unfortunately intergovernmental relations with most sector departments is unsatisfactory and the collaboration with regard to planning and aligning budgets for programmes with the District Municipality needs to improve. The Municipality does participate in a number of forums such as the District Planning and Development Forum (DPDF), LED Forum and the Premier's Coordination Forum (PCF). The DPDF provides vital support and capacity with regard to development processes.

Secretariat

Scheduled Meetings for July 2012 to June 2013 Year

Table 2.1 : Council Meeting - attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. Z.A. Mhlongo	4	4	0
2.	Cllr. N. Jojozi	4	4	0
3.	Cllr. B.M. Mtolo	4	4	0
4.	Cllr. F.A. Rodgers (Resigned March 2013)	4	2	1
5.	Cllr. P. Nocanda	4	4	0
6.	Cllr. M.N. Dlakavu	4	4	0
7.	Cllr. P.X. Xelitole	4	4	0
8.	Cllr. N. Mavuka	4	4	0
9.	Cllr. T.M. Mohlakoana	4	4	0
10.	Cllr. L.J. Sithole	4	4	0
11.	Cllr. M.M. Nondabula	4	3	1
12.	Cllr. T.O. Madikizela	4	3	1
13.	Cllr. N.T. Mqikela	4	4	0
14.	Cllr. N.C. Nyembezi	4	4	0
15.	Cllr. J.L. Kötting	4	2	2
16.	Cllr. V. Ncukana	4	3	3
17.	Cllr J Walker (Elected May 2013)	4	0	0

Table 2.2 : Special Council Meeting - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. Z.A. Mhlongo	11	11	0
2.	Cllr. N. Jojozi	11	7	4
3.	Cllr. B.M. Mtolo	11	8	3
4.	Cllr. F.A. Rodgers (Resigned March 2013)	11	5	6
5.	Cllr. P. Nocanda	11	9	2
6.	Cllr. M.N. Dlakavu	11	7	4
7.	Cllr. P.X. Xelitole	11	10	1
8.	Cllr. N. Mavuka	11	10	1
9.	Cllr. T.M. Mohlakoana	11	10	1
10.	Cllr. L.J. Sithole	11	9	2
11.	Cllr. M.M. Nondabula	11	10	1
12.	Cllr. T.O. Madikizela	11	9	2
13.	Cllr. N.T. Mqikela	11	8	3
14.	Cllr. N.C. Nyembezi	11	8	3
15.	Cllr. J.L. Kötting	11	4	7
16.	Cllr. V. Ncukana	11	6	5
17.	Cllr J Walker (Elected May 2013)	11	2	0

Table 2.3 : Executive Committee - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. N. Jojozi	10	10	0
2.	Cllr. B.M. Mtolo	10	10	0
3.	Cllr. F.A. Rodgers (Resigned March 2013)	10	4	2
4.	Cllr. J.L. Kötting (Elected April 2013)	10	2	0

Table 2.4 : Special Executive Committee - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. N. Jojozi	3	3	0
2.	Cllr. B.M. Mtolo	3	3	0
3.	Cllr. F.A. Rodgers (Resigned March 2013)	3	0	3

Table 2.5 : Finance and IPD Committee - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. N. Jojozi	10	10	0
2.	Cllr. T.O. Madikizela	10	7	3
3.	Cllr. L.J. Sithole	10	9	1
4.	Cllr. T.M. Mhlakwana	10	9	1
5.	Cllr. F.A. Rodgers (Resigned March 2013)	10	4	3
6.	Cllr. V. Ncukana	10	7	3

Table 2.6 : Governance Committee - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. F.A. Rodgers	10	7	0
2.	Cllr. M.N. Dlakavu	10	7	3
3.	Cllr. N. Mavuka	10	6	4
4.	Cllr. M.M. Nondabula	10	9	1
5.	Cllr. P. Nocanda	10	7	3
6.	Cllr. N.T. Mqikela	10	8	2
7.	Cllr. V. Ncukana	10	4	6
8.	Cllr. N.C. Nyembezi	10	9	1
9.	Cllr. J.L. Kötting (Elected April 2013)	10	1	1

Table 2.7 : Social Development / Community Services - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. B.M. Mtolo	10	10	0
2.	Cllr. N.T. Mqikela	10	8	2
3.	Cllr. P.X. Xelitole	10	7	3
4.	Cllr. M.M. Nondabula	10	7	3
5.	Cllr. J.L. Kötting	10	4	6

Table 2.8 - Labour Forum Committee - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. M.M. Nondabula	8	3	2
2.	Cllr. T.M. Mhlakwana	8	3	2
3.	Cllr. N.T. Mqikela	8	2	3

Table 2.9 - Special Labour Forum Committee - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. M.M. Nondabula	0	0	0
2.	Cllr. T.M. Mhlakwana	0	0	0
3.	Cllr. N.T. Mqikela	0	0	0

Table 2.10 : Employment Equity and Skills Development Committee - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. M.N. Dlakavu	5	3	1
2.	Cllr. T.O. Madikizela	5	2	2
3.	Cllr. F.A. Rodgers (Resigned March 2013)	5	2	2

Table 2.11 : Municipal Public Accounts Committee - Attendance of Council Members

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. N. Mavuka	4	4	0
2.	Cllr. N.T. Mqikela	4	4	0
3.	Cllr. P.X. Xelitole	4	4	0
4.	Cllr. M.M. Nondabula	4	4	0
5.	Cllr. J.L. Kötting	4	2	2

Chapter 3

PERFORMANCE HIGHLIGHTS



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Introduction

The Greater Kokstad Municipality has continued to provide free basic services to the community and deliver key functions especially with regards to electricity provision and Construction of road networks access during 2012/2013 financial year. The programmes and projects were facilitated in order to bring change to all residents, be of assistance to the community and make their lives better. Attention was also placed on facilitating and encouraging investment and local economic development in order to grow the economy, lessen unemployment and create jobs.

Office of the Municipal Manager

Strategic Planning

During the current financial year, the Greater Kokstad Municipality undertook a number of activities to ensure that the strategic planning process is undertaken in time and in compliance with all the relevant legislation especially the Municipal Systems Act and the Municipal Finance Management Act.

Table 3.1 : Strategic planning workshops

No.	Details	Attendees	Venue	Date
1	Council & Manco Strategic Planning Session	All Councillors & MANCO members	Karradene Hotel, Ilovo Beach	31 July to 01 August 2012
2	MANCO Strategic Planning Session	All MANCO Members	Garden Court Umhlanga	8-11 January 2013
3	Councilors and Senior Management	CLRs & Senior management	Elangeni Hotel, southern Sun, Durban	18-20 March 2013
4	MANCO Strat Plan	All Manager from level 0-4	Ingeli Forest Lodge	29-30 April 2013

Performance Management

The Greater Kokstad Municipality has in place a Performance Management Framework adopted by the Council. During the year under review, all Managers between levels 0 – 4 were assessed on a quarterly basis by their relevant supervisors. An assessment panel was set up to conduct the mid-term assessments, however, the 2012/2013 year-end assessments still need to be addressed.

Table 3.2 : Bonuses paid to section 57 Managers

No.	Position held	Period covered	Amount paid
1	Municipal Manager	December 2011 to June 2012	0
2	Executive Manager: Infrastructure, Planning & Development	July 2011 to June 2012	0
3	Executive Manager: Corporate Services	July 2011 to May 2012	0
4	Chief Financial Officer	July 2011 to March 2012	0
5	Executive Manager: Community Development Services	July 2011 to June 2012	0

Special Programmes

During the year, the Greater Kokstad Municipality held a number of events and programmes specifically for marginalised groups, women and the youth.

Special Programmes

During the year, the Greater Kokstad Municipality held a number of events and programmes specifically for marginalised groups, women and the youth.

Table 3.3 Special programmes held during 2012/13 financial year

No.	Priority group	Date	Details	Venue	Number of Attendees
1.	Ward Committees Youth Aged Disabled ,etc.	13 July 2012	Workshop on Human Rights Programmes at Ward Level	Supper room	30
2.	Senior Citizens	09 July 2012	Coordination of the District ,Provincial & National Golden Games for Senior Citizens	Kanyiselani development trust ,Bhongweni Shayamoya	50
3.	Disabled	26 August 2012	Disabled People Wheelchair race event	Elonwabeni Old & frail , Bhongweni Richmond	60
4.	Women	28 August 2012	Women's Day Celebration and Women's Fun Race 2012	Oval sport field	1000
5.	Aged /elderly	25-26 August 2012	Retreat for Elderly Affected by HIV/AIDS	KerrideneHotel,Umgababa	6 couples
6.	Maidens	30 August -01 September 2012	Royal Reed Dance Ceremony	Enyokeni Royal Palace,Nongoma	300
7.	Vulnerable groups	6 October 2012	Fare Well Party of Dr NkosazanaZuma	KwaBhidla,Bulwer	1000
8.	Elderly	26 October 2012	Official opening of Elonwabeni Old & Frail and the International Elderly Day Celebration	Carl Malcomess High School ,Bhongweni	1000
9.	Disabled	29 November 2012	The international Disability Day Celebrations	Bhongweni stadium	500

Public Participation, Communication and Corporate Image

As a consultative and participatory local government, the Municipality has endeavoured to afford all citizens with the avenues for open and meaningful participation. Transparency and communication of information was provided through local newspapers, external newsletters, website, and public notices at various strategic locations. The Ward Committees and Ward Clerks form the basis for ensuring effective interaction and communication between the Municipality and the people.

Table 3.4 : IDP Road shows

Ward	Venue	Date	Time
Ward 1	JJMhlongo Hall	19 NOV 2012	10H00
Ward 1	Qhingalendlela	19 Nov 2012	13h00
Ward 2	Franklin community hall	21 Nov 2012	15:30
Ward 3	Kokstad community Hall	21 Nov 2012	17h30
Ward 4	Shayamoya Sports field	23 Nov 2012	10h00
Ward 5	Thuntulwana Hall	12 Dec 2012	17h00
Ward 6	Resfontein school	18 Nov 2012	10h00
Ward 6	Newmarket school	18 Nov 2012	14h00
Ward 6	ThuthukaNgeli	22 Nov 2012	10h00
Ward 6	PakkiesThibane school	22 Nov 2012	14h00
Ward 6	Extension 7C/Hall	22 Nov 2012	17h00
Ward 7	Shayamoya Hall	20 Nov 2012	14h00
Ward 8	Thuntulwana Hall	19 Nov 2012	17h00

Table 3.5 Mayoral Imbizo

No.	Date	Activity	Venue
1.	03/05/2013	Mayoral Imbizo	Shayamoya sports field

Table 3.6: Ward Committee Meetings

Ward	Meetings Scheduled	Actual Meeting Sat	Dates Meetings Held			
1.	4	3	06/08/2012	N/A	09/03/2013	13/05/2013
2.	4	4	22/08/2012	05/11/2012	19/02/2013	23/05/2013
3.	4	2	N/A	19/09/2012	N/A	17/05/2013
4.	4	4	14/08/2012	07/11/2012	19/02/2013	22/05/2013
5.	4	3	06/08/2012	20/11/2012	N/A	30/05/2013
6.	4	4	17/08/2012	13/11/2012	20/02/2013	17/05/2013
7.	4	4	19/09/2012	12/11/2012	07/03/2013	29/05/2013
8.	4	4	14/8/2012	12/11/2012	07/03/2013	29/05/2013
Total	32	28				

Internal Audit Risk Management

The Municipality is expected to conduct an annual assessment of its risks and prepare plans to address risks identified. During the year under review, the risk assessment was conducted by the KZN Provincial Treasury. For the period under review, the Accounting Officer is satisfied that the internal controls in place are sufficient to deal with all risks identified.

Local Economic Development

The Local Economic Development assist a number of emerging entrepreneurs within the area of Kokstad with infrastructure and equipment. However, specific challenges continue to hamper the implementation, such as the lack of poor institutional capacity and coordination, inadequate funding and a shortage or limited skills.

Table 3.7 : Type of support provided to emerging entrepreneurs

No.	Name of beneficial	Type of support	Nature of business	Total number of jobs created/beneficial
1. Flea MK	Co-operatives	Access to MKT opportunity		15
2. Artisan	All wards	Plumbing, Electric, Carpentry		20
3. Poultry	All Wards	Poultry training	Cooperatives	20
4. Entrepreneur's Day	All Wards	Information Dissemination		71 MMEs
5. Fencing of Communal Land	Ward 6	Supply of Fencing Motor and Labour		
6. Temporal jobs created	All Wards	Temporal jobs		15
7. One Home one garden	All wards	Supply and Delivery of seeds		1655
8. Fishing Competition	All wards	Tourism enhancement programme		30 people

Legal Services

Table 3.8 : Schedule of attorneys instructed for the financial year under review

No.	Type	Issue	Name of Attorneys	Instruction Date	Completion Date	Address
1.	CIDB Hearing	Alleged Irregular Award of Tender of Phase 3 Road Construction.	Matthew Francis Inc.	11/08/2010	Pending.	Suite 1, 2 nd Floor 221 Pietermaritz Street P.O. Box 2177 Pietermaritzburg 3200

Table 3.8 : Schedule of attorneys instructed for the financial year under review

3.	High Court Civil Litigation	Shayamoya Landfill Site Rehabilitation - Bid Award Objection by MKT Construction (The Unpreferred Bidder)	Matthew Francis Inc.	04 August 2011	Pending.	Suite 1, 2 nd Floor 221 Pietermaritz Street P.O. Box 2177 Pietermaritzburg 3200
4.	High Court Civil Litigation	Electricity Tariffs	Matthew Francis Inc.	19 October 2011	Pending.	Suite 1, 2 nd Floor 221 Pietermaritz Street P.O. Box 2177 Pietermaritzburg 3200
5.	Objection Hearing	ICT Turnaround Strategy (Bid Award)	Matthew Francis Inc.	21 May 2012	25 July 2012	Suite 1, 2 nd Floor 221 Pietermaritz Street P.O. Box 2177 Pietermaritzburg 3200
6.	Planning and Development Tribunal	Rezoning and subdivision approval in dispute	Matthew Francis Inc.	21 June 2013	Pending	Suite 1, 2 nd Floor 221 Pietermaritz Street P.O. Box 2177 Pietermaritzburg 3200
6.	High Court Civil Litigation	Breach of contract- InkunziCivils	Elliot & Walker Attorneys	15 November 2007	Pending.	72 Hope Street Kokstad 4700
7.	Registrar of Deeds Enquiries	Acquisition of Title Deeds for Municipal owned properties	Mchunu-Mzila Inc.	26 May 2010	28 March 2013	Permanent Building 234 Church Street Suite 301, 3 rd Floor Pietermaritzburg 3201
8.	Magistrate Court civil litigation	Demand Sinkshow Construction cc for return of construction material or their value thereof	Ndumndum Attorneys	26 October 2012	Pending	87 Hope Street Kokstad 4700
9.	Land Claims Court civil litigation	Unlawful impounding claim against GKM & SPCA (Claim by MathokozaMaile)	Ndumndum Attorneys	26 October 2012	Pending	87 Hope Street Kokstad 4700
10.	High Court civil litigation	Unlawful increase of NJMPF (Natal Joint Pension Municipal Fund) Members' salaries	N/A	07 June 2013	Pending	N/A
11.	Magistrate Court	Damages claim arising from a shack demolition owned by Phumelele Dada	N/A	23 May 2013	21 June 2013	N/A
12.	High Court Civil litigation	Claim for payment by Le Blanc Jascocc in lieu of work done as per session agreement	N/A	18 June 2013	Pending	N/A

Table 3.8 : Schedule of attorneys instructed for the financial year under review

13.	Magistrate Court civil litigation	Application for withdrawal of a Court Interdict against SA Mbhele	Mdledle Attorneys	29 January 2013	Pending	62 Hope Street Kokstad 4700
14.	Magistrate Court civil litigation	Breach of contract matter as claimed by Umbilo FET	HamannPhohlo Attorneys	26 October 2013	Pending	49 Hope Street Kokstad 4700
15.	Planning & Development Tribunal	Dr. ER King <i>Et Al</i> dispute the approval of subdivision and rezoning	Matthew Francis Inc.	21 June 2013	Pending	Suite 1, 2 nd Floor 221 Pietermaritz Street P.O. Box 2177 Pietermaritzburg 3200
16.	Magistrate court civil litigation	Damages claim by MbuleloSibiya in respect of Motor Vehicle Accident	Ndumndum Attorneys	26 October 2013	Pending	87 Hope Street Kokstad 4700
17.	Magistrate court civil litigation	Damages claim by ZintathuDiko in respect of Motor Vehicle Accident	Mdledle Attorneys	08 November 2012	Pending	62 Hope Street Kokstad 4700
18.	Magistrate court civil litigation	Damages claim by HoosenKharvia in respect of Motor Vehicle Accident	Ndumndum Attorneys	26 October 2013	Pending	87 Hope Street Kokstad 4700
19.	Magistrate court civil litigation	Damages claim by Oaks Auto cc in respect of Motor Vehicle Accident	Mfingwana Attorneys	26 October 2013	Pending	29 Barker Street Kokstad 4700
20.	Magistrate court civil litigation	Damages claim by N Mfenqa in respect of Motor Vehicle Accident	HamannPhohlo Attorneys	26 October 2013	Pending	49 Hope Street Kokstad 4700
21.	Magistrate court civil litigation	Damages claim by Sutherland Attorneys in respect of Motor Vehicle Accident	N/A	24 April 2013	Pending	N/A
22.	Magistrate court civil litigation	Damages claim by CIB Insurance in respect of Motor Vehicle Accident	N/A	24 April 2013	Pending	N/A
23.	Magistrate Court civil litigation	Eviction of Ramos Nagadu by Brian Harris	Mfingwana Attorneys	26 October 2013	Pending	29 Barker Street Kokstad 4700
24.	Magistrate Court civil litigation	Eviction by NtsebezoQangule	Mfingwana Attorneys	26 October 2013	Pending	29 Barker Street Kokstad 4700
25.	Magistrate Court civil litigation	Eviction of MgedeLetlatsa by BabalwaMdoda	Mfingwana Attorneys	26 October 2013	Pending	29 Barker Street Kokstad 4700
26.	Magistrate Court civil litigation	Eviction of Daniel Draai by Griqua National Independent Church	HamannPhohlo Attorneys	13 November 2012	Pending	49 Hope Street Kokstad 4700
27.	Magistrate Court civil litigation	Eviction of Nkosiphendulo Don Manqindi by SimphiweFumba	N/A	24 April 2013	Pending	N/A

Planning and Development

Development Applications

All applications are considered in terms of the Greater Kokstad Draft Land Use Management System and the Spatial Development Framework to ensure that development is coordinated, harmonious and tends to the health, safety, order, amenity and general welfare of all.

Integrated Development Planning (IDP)

The Integrated Development Plan is one of the key tools for local government to tackle its developmental functions, roles and responsibilities. It is part of an integrated system of planning and service delivery and includes issues such as municipal budget, land management, promotion of local economic development and institutional transformation in a consultative, systematic and strategic manner.

Table 3.10 : Representative forums held during 2012 / 13

No.	Venue	date	time
1.	Kokstad MMB	10 October 2012	10h00
2.	Kokstad Community Hall	11 March 2013	10h00

Financial Services

Expenditure management

Details of the Expenditure for the year are included in the Annual Financial Statements in Chapter 5.

Revenue Management

Details of the Revenue collected during the year are included in the Annual Financial Statements.

Customer Service

The Greater Kokstad Municipality operates a Customer Care Centre which runs from 07h30 until 10h00 every day. The Centre assists with queries and provides a range of services to the consumers.

Budgeting, Reporting and Compliance

The budget is prepared in accordance with the relevant Regulations and takes into account the priorities of the IDP. The tariff increases and capital expenditure programmes are realistic to ensure the financial sustainability of the Municipality

Table 3.11 : Reports and returns submitted from July 2012 to June 2013

DETAILED	JULY 2012	AUG 2012	SEPT 2012	OCT 2011	NOV 2012	DEC 2012	JAN 2013	FEB 2013	MAR 2013	APR 2013	MAY 2013	JUNE 2013
LS	MO1	MO2	MO3	MO4	MO5	MO6	MO7	MO8	MO9	MO10	MO11	MO12
S71 MONTHLY REPORTS												
	5/9/12	17/9/12	9/10/12	12/11/12	11/1/13	7/2/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	18/7/13
MFMA MONTHLY RETURNS												
AC	20/8/12	12/9/12	11/10/12	12/11/12	10/12/12	11/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
AD	20/8/12	17/9/12	11/10/12	12/11/12	10/12/12	11/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
OSA	18/8/12	18/9/12	11/10/12	12/11/12	20/12/12	17/1/13	18/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
FMG	24/8/12	12/9/12	11/10/12	12/11/12	10/12/12	9/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
PWPG	13/9/12	13/9/12	11/10/12	13/11/12	10/12/12	9/1/13	8/2/13	9/3/13	10/4/13	7/5/13	25/6/13	10/7/13
MSIG	20/8/12	12/9/12	11/10/12	12/11/12	10/12/12	9/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
CFA	12/9/12	17/9/12	11/10/12	12/11/12	10/12/12	17/1/13	4/3/13	9/3/13	10/4/13	7/5/13	26/6/13	10/7/13
CAA	21/8/12	12/9/12	11/10/12	12/11/12	10/12/12	9/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
INEG	20/8/12	12/9/12	11/10/12	12/11/12	10/12/12	9/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
MIG	20/8/12	12/9/12	11/10/12	12/11/12	10/12/12	9/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13

Table 3.11 : Reports and returns submitted from July 2012 to June 2013

BSAC	20/8/12	17/9/12	11/10/12	12/11/12	19/12/12	11/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
RME	20/8/12	12/9/12	11/10/12	14/11/12	10/12/12	9/1/13	8/2/13	9/3/13	10/4/13	7/5/13	10/6/13	10/7/13
MFMA QUATERLY RETURNS												
			Q1			Q2			Q3			Q4
BM			11/10/2012			09/03/2013			10/04/2013			08/07/2013
LTC			11/10/2012			09/03/2013			10/04/2013			10/04/2013
MFMI			11/10/2012			09/03/2013			10/04/2013			10/04/2013
ME			11/10/2012			09/03/2013			10/04/2013			10/04/2013
MFMA QUATERLY RETURN												
COM						09/03/2013						16/07/2013
VAT RETURNS												
	31/08/12	28/09/2012	30/10/12	30/11/12	21/12/12	31/01/13	27/02/13	28/03/13	29/04/13	30/05/13	26/06/13	

Bids awarded 2011 / 2012

The tenders comply with MFMA Regulations and the implemented Supply Chain Management Policy is in line with National Treasury Regulations. The bids that were awarded and approved by the Adjudication Committee of the Greater Kokstad Municipality during the 2011/2012 financial year are listed in Table 3.12.

Table 3.12 : Bids awarded and approved

BID NUMBER	NAME OF PROJECT	SERVICE PROVIDER	DATE AWARDED	VALUE OF PROJECT
GKM 12/12	Small Town Rehabilitation - Upgrade Of Main Road	FS GONZALVES CONTRACTORS	17-Jul-12	R6,405,942.38
GKM 13/12	Website Revamp	SEBATA MUNICIPAL SOLUTIONS (PTY) LTD	17-Jul-12	R158, 289.00
GKM 14/12	Supply And Delivery Of Social Dev. Vehicles	KOKSTAD NISSAN	17-Jul-12	R618,765.78
GKM 15/12	Supply And Delivery Of Electrical Services Vehicles	KOKSTAD NISSAN	17-Jul-12	R853,096.20
GKM 16/12	Supply And Delivery Of Ipd Vehicles	KOKSTAD NISSAN	17-Jul-12	R642,266.88
GKM 17/12	Upgrade Of Shayamoya Taxi Route	COUNTERPOINT TRADING 420 CC	14/09/2012	R6, 925, 668.33
GKM 18/12	Upgrade Of Horseshoe Taxi Route	MARGATE CONSTRUCTION JV KHOZA TRADING	14/09/2012	R6, 214, 727.39
GKM 19/20	Electrification Of Rdp Houses Within Gkm	BFBA CONSULTANTS (PTY) LTD	21-Nov-12	R171,000.0
GKM 20/12	Acquisition Of Two (2) Tib's For Ipd And Community Services Department	BARLOWORLD EQUIPMENT	21-Nov-12	R1, 326, 960.00
GKM 23/12	Supply And Delivery Of A Motor Grader	BABCOCK AFRICA SERVICES (PTY) LTD	21-Nov-12	R2, 163, 720.00
GKM 24/12	Provision Of Consulting Engineering Servicers For The Design, Tender And	S. ZOKO CONSULTING CC	21-Nov-12	R337, 554.00

GKM 25/12	Professional Landscape Architect Services - Kokstad Public Parks	AMRO DESIGN STUDIOS	29-Jan-13	R198, 990.00
GKM 26/12	Ict Managed Services	DATA CENTRIX	3-Dec-12	R1, 747, 956.64
GKM 27/12	Crime Prevention Cameras Cbd	BRANDFIN TRADE	14-Dec-12	R629, 904.72
GKM 29/12	Installation Of Street Lights And High Masts	LIGHT BE CONSTRUCTION AND MAINTAINANCE (PTY) LTD	21-Nov-12	R1, 389, 131.95
GKM 30/12	Upgrading Of Mv Electrical Cables	DNA CONSULTING ENGINEERS AND PROJECT MANAGERS	21-Nov-12	R185, 875.93
GKM 31/12	Electricity Network Performance Investigation	BFBA CONSULTANTS(PTY) LTD	21-Nov-12	R220, 920.00
GKM 32/12	Supply And Delivery Of Food Parcels	BOXER SUPERSTORES	15-Feb-13	R1, 094, 916.00
GKM 33/2012	Construction Of Mv And Lv Infrastructure To Long Homes Ext 1 In Bhongweni	LIGHT-BE CONSTRUCTION AND LIGHTING	22-Apr-13	R2, 310, 016.56
GKM 35/12	GkmEmpowerment	LUANDI MEDIA MARKETING	23/01/2013	R640,000.00
GKM 37/12	Construction Of Ward 4 Community Hall	WAHLUMAA TRADING ENTERPRISE JV HERMAN AND LUCKY CONSTRUCTION	6-May-13	R2, 756, 813.94
GKM 38/12	Construction Of Ward 8 Community Hall	WAHLUMAA TRADING ENTERPRISE JV HERMAN AND LUCKY CONSTRUCTION	8-May-13	R2, 880, 944.72
GKM 39-12/13	Review Of 2013-2014 Sdf	AURECON SOUTH AFRICA (PTY) LTD	14-Mar-13	331,459.51
GKM 28-12/13	Acquisition Of Medium Rescue Pump (Fire Engine) - Re-Advertisement	FFE AFRICA PTY LTD	22-Apr-13	R2, 042, 436.40
GKM 40-12/13	Provision Of Civil Engineering Project Mng Service-Bhongweni Stadium	NATHOO MBENYANE	20-Jun-13	R447, 963.00
NOTICE NUMBER: 26	Expression Of Interest homes 2010 Housing Residential	BRAINWAVE PROJECTS	Pending	R4,000,000.00
GKM 43-12/13	Drilling Of Boreholes For New Landfill Site In Kransdraai	NATIONAL DRILLING	6-May-13	R430, 071.84
GKM 45-12/13	Supply And Delivery Of Park Homes	PARK HOME MODULAR UNITS	24-May-13	R336, 870.00
GKM 46-12/13	Lv&Mv Cables, Installation & Accessories Upgrade	RAWPOWER (PTY) LTD	6-May-13	R1, 806, 857.14
GKM 47-12/13	Gravel Access Roads Phase 2: Nyanisweni& Riverside	LADY SUCCESS JV INTLANGULA TRADING	20-May-13	R500, 709.66
GKM 48-12/13	Gravel Access Roads Phase 2: Pakkies	SIVEST CIVILS AND EARTHWORKS	20-May-13	R1, 056, 062.37
GKM 49-12/13	Gravel Access Roads Phase 2: Lalamanzi	LADY SUCCESS JV INTLANGULA TRADING	20-May-13	R853, 390.89
GKM 54-12/13	Appointment Of A Service Provider For The Supply & Delivery Of Mv&Lv Material	MB ELECTRICAL AND LIGHTING	6-May-13	R1, 655. 010.50
GKM 44-12/13	Provision Of Consulting Engineering Services For Conducting Traffic Study To All Roads Leading To KoksadCbd	GIBB (PTY) LTD	28-Jun-13	R236, 355.74
GKM 59-12/13	Appointment Of A Service Provider For Indigent Burial	UMANYONO FUNERAL SERVICES	28-Jun-13	R995 With A R300.00 Escalation

Table 3.13 Meeting of the various Bid Committees

NO.	BID SPECIFICATION COMMITTEE	BID EVALUATION COMMITTEE	BID ADJUSTMENT COMMITTEE
JULY 2012		13 JULY 2012	25 JULY 2012
AUGUST 2012		07 AUGUST 2012 17 AUGUST 2012 27 AUGUST 2012	10 AUGUST 2012
SEPTEMBER 2012	10 SEPTEMBER 2012	07 SEPTEMBER 2012 21 SEPTEMBER 2012	05 SEPTEMBER 2012
OCTOBER 2012	15 OCTOBER 2012	03 OCTOBER 2012	17 OCTOBER 2012 18 OCTOBER 2012
NOVEMBER 2012	28 NOVEMBER 2012	22 NOVEMBER 2012	29 NOVEMBER 2012
DECEMBER 2012		14 DECEMBER 2012	14 DECEMBER 2012
	17 JANUARY 2013	31 JANUARY 2013	28 JANUARY 2013
FEBRUARY 2013	18 FEBRUARY 2013 26 FEBRUARY 2013	15 FEBRUARY 2013 27 FEBRUARY 2013	18 FEBRUARY 2013
MARCH 2013	07 MARCH 2013	05 MARCH 2013	12 MARCH 2013
		08 MARCH 2013 27 MARCH 2013	22 MARCH 2013 27 MARCH 2013
APRIL 2013	24 APRIL 2013	04 APRIL 2013 09 APRIL 2013 16 APRIL 2013 30 APRIL 2013	12 APRIL 2013 24 APRIL 2013
MAY 2013	09 MAY 2013 14 MAY 2013 17 MAY 2013 21 MAY 2013	15 MAY 2013 20 MAY 2013 29 MAY 2013 31 MAY 2013	06 MAY 2013 29 MAY 2013
JUNE 2013	13 JUNE 2013	04 JUNE 2013 11 JUNE 2013 21 JUNE 2013	10 JUNE 2013 19 JUNE 2013 26 JUNE 2013

Infrastructure, Planning and Development

Project Management Unit and Civil Engineering

The Greater Kokstad Municipality continues to invest in infrastructure through development and maintenance to ensure that the basic needs of the people are met. Road access and community facilities, including halls and sports facilities, have been constructed, upgraded and maintained.

Housing

The housing needs are being addressed through integrating settlement housing development with associated infrastructure. Although a backlog across all segments of the market continues to build pressure, priority has been given to slums clearance projects in order to comply with Presidential and provincial targets. A lack of middle to high income residential development has resulted in inflated housing prices in these market segments.

Table 3.14 :Planning and development of built projects during 2012 / 13

No.	Name of Project	Number of units	Value of project	Status of project
1	Bhongweni Youth Centre	1484m ²	R15,668,247.21 <u>Expenditure to date:</u> R6, 958, 551.74	Foundations 96% Brickwork 99% Roof coverings 82% Structural steelwork 95% External works 50%
2	Renovating Kokstad Town Hall	1437m ²	R11, 545, 528.13 <u>Expenditure to date:</u> R 5, 776, 069.30	Roofing 100% Partitioning 100% Glazing 100% Suspended 100% Tiling 100%
3	Shayamoya Ward 4 Community Hall	456.45m ²	R 2, 756, 813.94 <u>Expenditure to date:</u> R 0	The contractor has been appointed. But the project is on hold.
4	Bhongweni Ward 8 Community Hall	456.45m ²	R 2, 880, 944.72 <u>Expenditure to date:</u> R 0	The contractor has been appointed. But the project is on hold.
5	Rural Area: ThuthukaNgele Community Hall	287.5m ²	R2, 550, 000.00 <u>Expenditure to date:</u> R 935, 000.00	Palisade fencing 100% Complete. Steel Framing 0%
6	Rural Area: Waansberg Community Hall	287.5m ²		Palisade fencing 100% Complete. Steel Framing 0%
7	Rural Area: Maraaiskop Community Hall	287.5m ²		Palisade fencing 100% Complete. Steel Framing 0%
8	Upgrading Fire Station	1484m ²	R11, 000, 000.00 <u>Expenditure to date:</u> R 3, 900, 000.00 fees only	The project I under planning stage This project was put on hold due to the project cost.
9	GIS updating	1	R127 600.00	Completed in march 2013
10	SDF review 2012/13	1	R 331 459.51	Completed to be adopted in july

Table 3.14 :Planning and development of built projects during 2012 / 13

No.	Name of project	Number of project units	Value of project	Status of project
1.	Makhoba Housing Project – Argyl Farm and Springfontein Farm	700	R 86,758,994.00 Inclusive of civil works	0% Complete due to bulk services
2.	Franklin Housing Project Phase 1	450	R 26, 498, 488.00 Excluding civil works	60% Complete
3.	Shayamoya Housing Project Phase 2	220	R36, 517, 049.00 Inclusive of civil works	100% Complete
4.	Area 5 and 6 Housing Project (In fills).	15	R 942, 712.50 Excluding civil works	100% Complete
5	Area 9 and 10 Housing Project (In fills).	20	R 1, 256,950.00 Excluding civil works	95% Complete
6	Riverview/Riverside Housing Project	74	R5, 024, 134.28 Excluding civil works	0% Complete
6	Willowdalle Housing Project	100	R 7, 636, 000.00 Inclusive of civil works	0% Complete due to bulk services
7	Kokstad In fills	500	Under Planning	0% Complete due to bulk services
8	Shayamoya Phase 3	700	Under Planning	
9	Franklin Phase 2	200	Under Planning	

Table 3.16 : Illegal building notice and fines issued during 2012 / 13

Location	Stop work Notices	Building fines issued	Building Fines Paid	Fines put on Rate Acc
Kokstad CDB	87	60	40	0
Shayamoya	160	136	117	0
Bhongweni	45	37	30	0
Horseshoe	78	58	20	0
Ext. 7	25	15	15	0
Franklin	2	0	0	0

Table 3. 17 : Building plans dealt with during 2012 / 13

Description	Additions and Alterations	New Dwellings	Granny Flats Outstanding	Boundary Walls	Flats	Other	Total
	79	30	1	26	0	37	173
Office Block						4	
Palisade Fencing						2	
As Built Carport						1	
Carport						1	
Play School						1	
As Built						15	
Outside Building						1	
Church						4	
Garage						1	
Pool						2	
Mall						1	
Car Wash						1	
Cell Tower						2	
Factory						1	

Table 3.18 : Application for rates clearance during 2012 / 13

Residential	Commercial	Farms	Total
96	3	6	105

Table 3. 19 : Breakdown of building fines issued per quarter during 2012 / 13

Detail	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
Kokstad CDB	20	27	30	10	87
Shayamoya	51	33	45	31	160
Bhongweni	19	17	15	3	45
Horseshoe	22	18	31	27	78
Ext. 7	12	4	8	9	25
Franklin	0	0	0	2	2

Table 3. 20 : Site inspections held during 2012 / 13

Foundation	Floor Slab	Roof	Drainage	Final Inspection	Total
46	25	11	7	10	99

Electricity

Electricity is distributed to residents within Kokstad town, Bhongweni, Shayamoya, Franklin, Horseshoe, and Kargs Post by the Municipality, while the remaining areas are supplied directly by Eskom. The infrastructure is generally good and reasonably maintained but network constraints will put pressure on the existing infrastructure resulting in a more rapid deterioration.

All traditional formal households have been electrified which is approximately 80% of households in the Greater Kokstad Municipality. As the informal housing is to be replaced by formal low cost housing, the Municipality does not propose to extend electrification to these areas, not only to avoid wasteful expenditure but also to discourage informal settlements. The conversion of metered electricity to a prepaid system has been stopped.

NO.	Name of Projects	Number of Units	Value of Project	Status of project	Reason for not meeting the deadline
1	16.1 MV CABLE UPGRADE PHASE 1	1300m of MV Cable to be Upgraded	R 3,000,000.00	920m of cables laid and 380m remaining	Late appointment of the Contractor due to financial constraints.
			Expenditure to date R1,015,567.24	1000m of trenching dug and 300m remaining.	
				Projected completion date is the 26 th July 2013	
2	13.2 STREET LIGHTING/HIGH MAST	100 Street Lights and 3 High Masts to be installed	R 1,389,131.95	Completed	None
			Expenditure to date		
			R 801,353.81		
3	16.3 MIGRATION FROM CONVENTIONAL METERS TO PRE PAID METERS	250 Meters to be converted to Prepaid Meters	R125,400.00	97 meters has been converted to prepaid	Shortage of pilot cables due to financial constraints.
			Expenditure to date		
			R125,400.00		Non compliance from the community
4	16.4 ACQUISITION OF A NEW TLB FOR ELECTRICAL DIVISION	One TLB to be Acquired	R 663,480.00	Completed	None
			Expenditure to date		
			R 663,480.00		

Table 3. 21 : Electrical projects undertaking during 2012 / 13

5	16.5 NEW STANDBY QUARTERS/ELECTRICIANS ACCOMMODATION	Phase one of the Standby Quarters to be built up to the wall level	R 300,000.00	Foundation complete and one section has been built up to the wall structure	The project had to be stopped due to financial constraints, to resume in the new financial year.
			Expenditure to date		
			R 181,000.00		
6	16.6 ELECTRIFICATION OF NEW HOUSES	220 houses to be electrified	R 1664,548.10	The consultant was appointed, it is now at the adjudication stage	The project had to be stopped due to financial constraints, to resume in the new financial year
			Expenditure to date		
			R 102,600.00		
7	16.7 TOWNSHIP AND RURAL ELECTRICITY PERFORMANCE INVESTIGATION	One full report of the network investigation completed	R 300,000.00	Completed	None
			Expenditure to date		
			R 44,184.00		

Table 3. 22 : Electrical incidents dealt with per mont during 2012 / 13

Incident	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Application received for new electricity connection	13	10	7	6	7	12	7	13	12	18	17	12
New pre-payment meters installed	1	0	5	5	4	2	7	3	5	11	16	17
Change from credit to pre-paid meters	3	9	8	6	4	3	2	0	43	27	13	17
Change faulty meters	23	4	7	11	8	6	9	2	9	32	14	12
Faults attended	285	262	340	353	403	555	621	704	609	881	929	727
Disconnections	7	0	0	0	0	0	0	0	0	0	0	0
Meters sealed	404	1884	1510	412	0	0	285	0	0	0	0	0
Street lights fault	41	9	12	15	13	27	37	51	57	49	89	98

Table 3. 23 : Electrical incidents dealt with per quarter during 2012 / 13

NO	Incident	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total
1.	Application received for new electricity connection	30	25	32	47	134
2.	New pre-payment meters installed	6	11	15	44	76
3.	Change from credit to pre-paid meters	20	13	45	57	135
4.	Change faulty meters	34	25	20	58	137
5.	Faults attended	887	1311	1934	2537	6669
6.	Disconnections	7	0	0	0	7
7.	Meters sealed	3798	412	285	0	4495
8.	Street lights fault	62	55	145	236	498

Community Development Services

Public Facilities and Social Amenities

A major shortcoming with respect to the attractiveness of the area as a place to live is the lack of entertainment opportunities. The lack of recreational activities is also considered a problem for the youth. There are a number of community facilities, mainly with the Kokstad town, but many are underutilised or not optimally utilised, mainly due to poor infrastructure or vandalism. A high number of these facilities require funding for new or improved infrastructure and services, so focus has been placed on facilities within the primary and secondary nodes.

Urgent attention needs to be given to the lack of formal open spaces, such as play areas and parks. Schools, specifically in the rural areas, don't have access to appropriate sports facilities so coordination is essential to enable schools to benefit from the limited facilities.

A lack of capacity has necessitated the Municipality forming a partnership with an external agency to undertake the function of pound management on a contractual basis. While an additional cemetery is currently in the process of being established, it is inadequate to address the predicted number of deaths, especially those related to HIV/Aids. Appropriate facilities need to be provided throughout the area, however the religious, cultural and traditional aspects must be empathetically considered.

While there are two libraries within the Municipal area, their capacity is totally inadequate to sustain the needs of the communities. There is insufficient study space for students and the two computers are incapable of coping with all the demands.

Table 3. 24 : Details of animals impounded per quarter during 2012 / 13

Details	First quarter	Second quarter	Third quarter	Fourth quarter	Total
No. Of Animals impounded	229	231	212	188	860

Table 3.25 : Income generated from the use of community halls during 2012 / 13

Description	Thuntulwana Hall	JJ Mhlomo hall	Community hall	Shayamoya hall	Town hall	Total
Revenue generated	R26873.10	R9019.94	R2060.46	R23615.81	R8211.00	R88323.31

Table 3.26 : Internments per quarter during 2012 / 13

Details	First quarter	Second quarter	Third quarter	Fourth quarter	total
adults-casket	7	8	5	13	33
Adults ordinary	9	2	2	11	24
Indigents	53	50	53	59	215
Children	3	0	2	1	6

Table 3. 27 : Circulation of library material during 2012 / 13

Material	Kokstad library	Bhongweni library
Books	93485	40227
Periodicals	3864	1969
Audio books	517	
Compact disks (CDs)	2348	470
DVD S	4256	395
Videos	387	
Browsers	22715	19998
Total	127572	63059

Table 3. 28 : Membership of libraries during 2012 / 13

Membership	Kokstad library	Bhongweni library
Adults	73	90
Youth	587	389
Juniors	345	73
Total	1005	552

Table 3. 29 : Financial arising from library activities during 2012 / 13

Department	Completed	Outstanding	Total Routed
Corporate Services	6 720	473	7 193
Councillors	130	46	176
Financial Services (FSD)	6 617	940	7 557
IPD	6 136	478	6 614
MM's Office	8 279	2 066	10 345
Mayor's Office	266	01	267
CDS	11 210	578	11 788
Total Routed			43 940
Total Scanned & Archived			55 938

Waste Management

The majority of urban and semi-urban households (80%) in the Greater Kokstad Municipality have their refuse collected on a weekly basis but no service is available in the rural areas. This leads to the problem of illegal dumping which poses environmental risks but efforts are being made to increase people's awareness of good waste management practice.

The 'Food for Waste' Programme, introduced by the Municipality, has afforded 100 community members the opportunity to work for food. The beneficiaries collect refuse from households and clean open spaces and streets on 3 days per week and in return receive food parcels at the end of each month. There is still the challenge of identifying suitable land for a future landfill site.

Table 3. 30 : Waste removal undertaken per quarter during 2012 / 13

Details	First quarter	Second quarter	Third quarter	Fourth quarter	total
Skip bins removed	737	809	922	876	3344
Cages emptied	897	855	911	878	3541
Total	1634	1664	1833	1754	6885

Protection Services

Research conducted in the Kokstad area revealed that people are inclined to flout and contravene the regulations and by-laws. Also the Municipality is strategically located along two major road networks (N2 and R56) so has to contend with an increasing number of road accidents. With the intention of strengthening the law enforcement capacity and ensuring that people perceive the area to be protected, 60 Peace Officers were trained by the Municipality to assist with traffic management and to enforce the by-laws.

Table 3. 31 : Breaking of traffic and licensing issues per quarter during 2012 / 13

Details	First quarter	Second quarter	Third quarter	Fourth quarter	total
Number of vehicles tested	229	294	269	248	1 040
Number of vehicles failed	155	211	197	179	742
Certificate of Roadworthiness (issued)	157	208	200	180	745
Applications for Learner's license	393	440	619	465	1 917
Learner's License Failed	275	292	395	309	1 271
Learner's License Passed	118	148	224	156	646
Application for Drivers License	1 085	1 051	813	911	3 860
Driver's Licenses Failed	971	923	715	758	3 367
Driver's Licenses Passed	114	128	98	153	493

Table 3. 32 : Fines issued in terms of Section 341 and 56 notices during 2012 / 13

Number Issued	Value
Four thousand and twenty six traffic fines were issued	R 1 962 900.00

Disaster Management, Fire and Rescue Services

Disaster management is essential due to the high risk of flooding and fires in the Greater Kokstad Municipality. Public awareness programmes are conducted to empower communities on how to reduce risks and recognise risk situations and take the appropriate remedial action. The construction of a fire station has been budgeted for in order to meet the required planning standards.

Table 3. 33 : Breakdown of incidents dealt with per quarter during 2012 / 13

	Incident	Total
1.	House fires	25
2.	Motor Vehicle Accidents	84
3.	Informal Settlement/ Shack Fires	09
4.	Disaster Response and Recovery	36
5.	Special Rescue /Activities	60
6.	Control Burning/Fire Belts	116

Corporate Services

Land Administration

The Municipality holds property that earns rental rather than meeting service delivery objectives.

Administration

In order to meet and implement the objectives of local government as contained in the White Paper on Local Government and the community, the administration of the Greater Kokstad Municipality has structured and organised systems in place.

Table 3.35 : Vehicles leased June 2013

Contract number	No. of vehicles leased	Total rental (Rands)	Year started	Period (months)	Contract company	Action taken on expiry
C.35	5	R24 425.73	2010	48	Avis	Lease to own
ALP4	4	R34 524.00	2012	12	Mount Currie Tractors	Not Renewed
TOTAL		R58 949.73				

Table 3.36 : Vehicles procured through Wesbank as at June 2013

	Description	Department	Cost	Installments	Start Date	End Date
1.	Toyota Raider	Fire	R416 685,22	R9 025,22	2011/06/23	2016/06/01
2.	Toyota Land Cruiser	Fire	R424 361,91	R9 191,49	2011/06/23	2016/06/01
3.	Corolla 1.6	MM Office	R217 586,83	R4 758,60	2011/06/23	2016/06/01
4.	Toyota Quantum	MM Office	R330 925,66	R7 237,30	2011/06/23	2016/06/01
5.	Toyota Hilux	Community Safety	R360 421,00	R7 869,99	2011/07/27	2016/08/01
6.	Nissan NP200	Corporate Services	R160 000,00	R3 493,69	2011/07/27	2016/08/01
7.	Toyota Auris	Traffic	R299 100,00	R6 531,02	2011/07/27	2016/08/01
8.	Toyota Auris	Traffic	R299 100,00	R6 531,02	2011/07/27	2016/08/01
9.	Nissan NP200	Engineering	R139 279,50	R3 038,28	2011/08/27	2016/09/01
10.	Nissan NP200	Engineering	R132 439,50	R2 889,07	2011/08/27	2016/09/01
11.	Nissan NP200	Engineering	R132 439,50	R2 891,79	2011/08/27	2016/09/01
12.	Nissan NP300	Electrical	R273 012.90	R5 937.75	2012/11/18	2017/10/18
13.	Nissan NP300	Electrical	R273 012.90	R5 883.74	2012/11/18	2017/10/18
14.	Nissan NP300	Electrical	R307 070.40	R6 678.47	2012/11/18	2017/10/18
15.	Nissan NP300	Social Services	R215 185.26	R4 680.06	2012/11/18	2017/10/18
16.	Nissan NP300	Social Services	R201 790.26	R4 370.09	2012/11/18	2017/10/18
17.	Nissan NP300	Social Services	R201 790.26	R4 370.09	2012/11/18	2017/10/18
18.	Nissan NP300	Roads	R211 998.96	R4 587.29	2012/11/18	2017/10/18
19.	Nissan NP300	Roads	R211 998.96	R4 587.29	2012/11/01	2017/10/18
20.	Nissan NP300	Roads	R 218 268.96	R4 747.13	2012/11/01	2017/10/18
21.	Sweeper Machine	Roads	R1 578 900.00	R34 386.02	2013/02/01	2017/03/01
22.	Motor Grader	Roads	R2 163 720.00	R47 023.65	2013/01/31	2017/12/01
23.	Jeep Cherokee	Mayoral	R 687 065.23	R14 922.26	2013/03/01	2017/04/31
24.	Backhoe Loader	Electrical	R 663 480.00	R14 426.79	2013/05/31	2018/06/01
25.	Backhoe Loader	Social Services	R 663 480.00	R14 426.79	2013/05/31	2018/06/01
TOTAL				R 234 484.89		

Table 3.37 : Details of accidents at at 30 June 2013

Date accident reporter	Vehicle Registration	Brief description of cause of accident(driver	Incident no.	Cost of damage as per quotes	Status of insurance claim
02 July 2012	NCW 24157	On 27 th June 2012, the driver of vehicle (NCW 24157) was working on the soccer field in extension seven (7) to take off soccer poles as instructed. The bakkie got hit by a stone on the left side under the bumper and the cover underneath the bumper was displaced from its position. Therefore the bakkie was submitted to the Municipal Workshop where the mechanic secured the cover and was thereafter reported fixed.	AR27/07/2012	No cost on damage	No claim
17 August 2012	NCW 24180	On 02 August 2012, it was reported that the Quantum (NCW 24180) bumped the parking wall and the back bumper was dented. The matter was handled by Fleet Management Section and the investigation was conducted to establish the details of the accident.	AR02/08/2012	TrevsPannel beaters R 2400, Jemic Motors R 2300 and Jewels Auto R2500	Quotes are less than insurance excess of R2500 and the vehicle was repaired.
22 October 2012	NCW 15755	On the 22 nd October Saturday one of Electrical division vehicle (NCW 15755) was dented on the tail lamp by a Chevrolet Cruze (NCW 25685) next to Shamoya while the driver was attending a callout. The accident investigation was conducted and the driver of Chevrolet Cruze admitted guilt and paid an amount of R287.50 to repair the damage and vehicle was fixed.	AR62/09/2012	R 287.50	The vehicle was fixed

31 January 2013	NCW 26455	On 30 th January 2013, a municipal vehicle NCW 26455 was involved in an accident with NIX 7459 from Sutherland Seedlings at Franklin. The driver was authorized to fetch grass cutters who were working in that residential area and on his way back while stopping on the road construction stop sign his vehicle was hit at the back. The relevant company was informed of the accident and they have logged a claim with their insurance company.	AR53/01/2013	R18 716.08	Repaired
31 January 2013	NCW 22735	On the 20 th January 2013, a learner who was being examined to obtain drivers' license had collided with one of the traffic vehicles (NCW 22735) which was parked off on designated municipal parking area. The learner has been phoned and she admitted the offence.	AR31/01/2013	R4 400	Repaired
6 April 2013	NCW 13872	On the 5 th of April 2013, the driver of NCW 13872 had an accident while he was driving on a slow lane in Hope Street. The vehicle (NP 156-663 for a public member) collided into a trailer that was being pulled by this tractor but there were no damages on the trailer.	AR11/04/2013	No damage	No claim
3 May 2013	NCW 20808	On the 3 rd of May 2013, the Sweeper machine NCW 20808 collided with a police vehicle and the accident was reported and the AR number 20-06-2013 was obtained however, the sweeper machine had a minor dent and it was fixed in the municipal workshop.	AR20/06/2013	Minor dent not cost	Repaired
14 June 2013	NCW 15756	On the 14 th of June 2013, the vehicle NCW 15756 knocked a pedestrian at Bhongweni Location and the passenger was hospitalized after suffering some serious head injuries. The accident was reported to the police station and AR number 32/06/2013 was obtained and accident was also reported to the insurance.	AR32/06/2013	No cost	No claim
24/06/2013	NCW 24145	On the 13 June 2013, the vehicle NCW 24145 was kicked by the horse and damaged the front bumper	OB13/06/2013	R8 297.90	Claim on progress

Table 3.38 : Circulation of internal and external manual correspondence

No.	Type of document	Sub-function	Corp serv	Fine serv	Infra. Plan. & dev	Comm. Dev. Serv.	Mm office	Political offices		total
								Mayor	Speaker	
1.	External Correspondence	Incoming Faxes	135	422	45	43	193	77	50	953
		Outgoing Mail	144	09	5540	04	06	0	0	5704
		Outgoing Faxes	449	891	257	212	290	53	65	2217

Table 3.39 : Circulation of internal and external electronic correspondence

Department	Completed	Outstanding	Total Routed
Corporate Services	6 720	473	7 193
Councillors	130	46	176
Financial Services (FSD)	6 617	940	7 557
IPD	6 136	478	6 614
MM's Office	8 279	2 066	10 345
Mayor's Office	266	01	267
CDS	11 210	578	11 788
Total Routed			43 940
Total Scanned & Archived			55 938

Table 3.40 : Office equipment leased as at 30 June 2013

	Name of company	Equipment	Department	Commence Date	Expiry Date	Period	Status
1.	Aloe Office supplies	7435 CPSF	Print Room	01 March 2013	28 Feb 2014	1 Year	Ongoing
2.	Aloe Office supplies	4112CPS	Print Room	01 March 2013	28 Feb 2014	1 Year	Ongoing
3.	Aloe Office supplies	H/duty binder	Electrical	01 March 2013	28 Feb 2014	1 Year	Ongoing
4.	Aloe Office supplies	Guillotine	Electrical	01 March 2013	28 Feb 2014	1 Year	Ongoing
5.	Aloe Office supplies	Shredder	Print Room	01 March 2013	28 Feb 2014	1 Year	Ongoing
6.	Aloe Office supplies	Folding Machine	Print Room	01 March 2013	28 Feb 2014	1 Year	Ongoing
7.	Aloe Office supplies	3635CPSF	Records	01 March 2013	28 Feb 2014	1 Year	Ongoing
8.	Aloe Office supplies	3635CPSF x9 Machines	Various Departments	01 March 2013	28 Feb 2014	1 Year	Ongoing
9.	Aloe Office supplies	9880 C/Printer	Engineering	01 March 2013	28 Feb 2014	1 Year	Ongoing
10.	Aloe Office supplies	5222 CPFS x2 Machines	Libraries	01 March 2013	28 Feb 2014	1 Year	Ongoing

Table 3.41 : Faults attended to from July 2012 to June 2013

Month	Number Of Faults	Corporate Services	Financial Services	Municipal Managers Office	Community Development Services	Infrastructure, Planning & Development
July 12	30	9	6	8	3	4
Aug 12	40	11	8	7	6	8
Sep 12	37	8	14	5	4	6
Oct 12	25	3	8	6	3	5
Nov 12	53	12	17	14	7	3
Dec 12	26	7	6	5	5	2
Jan 13	21	6	8	4	2	1
Feb 13	26	8	6	5	4	3
Mar 13	17	4	5	2	2	4
Apr 13	22	6	7	3	4	2
May 13	19	5	7	3	1	6
June 13	21	7	6	6	0	2

Table 3.42 : Telephone cost for the period July 2012 to June 2013

Month	Payments To Telkom
July 2012	R109.858.09
August 2012	R113.894.71
September 2012	R94.669.49
October & November 2012	R190.628.95
December 2012	R96.406.35
January 2013	R110.975.42
February 2013	R95.849.65
March 2013	R102.230.45
April & May 2013	R214.071.10

Table 3.43 : Summary of occurrences when back-ups of management systems were completed

Month	File& Exchange	Munsoft	Cash-Power/ Suprima	Debt Collection	Cat	Hard Cat	Vip	Telkom	Orbit
July 12	24/07/2012	24/07/2012	24/07/2012	20/07/2012	18/07/2012	17/07/2012	30/06/2012	17/07/2012	24/07/2012
Aug 12	22/08/2012	22/08/2012	22/08/2012	17/08/2012	19/08/2012	19/08/2012	31/07/2012	17/08/2012	22/08/2012
Sep 12	18/09/2012	18/09/2012	18/09/2012	14/09/2012	18/09/2012	17/09/2012	30/08/2012	18/09/2012	18/09/2012
Oct 12	24/10/2012	24/10/2012	24/10/2012	19/10/2012	17/10/2012	17/10/2012	30/09/2012	17/10/2012	24/10/2012
Nov 12	22/11/2012	22/11/2012	22/11/2012	15/11/2012	13/11/2012	System Discontinued	30/10/2012	13/11/2012	13/11/2012
Dec 12	18/12/2012	18/12/2012	18/12/2012	14/12/2012	11/12/2012	System Discontinued	11/12/2012	11/12/2012	18/12/2012
Jan 13	22/01/2013	22/01/2013	22/01/2013	18/01/2013	11/01/2013	System Discontinued	31/12/2012	11/01/2013	22/01/2013
Feb 13	22/02/2013	22/02/2013	22/02/2013	22/02/2013	18/02/2013	System Discontinued	05/02/2013	18/02/2013	22/02/2013
Mar 13	Daily, Weekly And Monthly	Daily	Daily, Weekly And Monthly	Weekly	Monthly	System Discontinued	Daily	Daily, Weekly And Monthly	Daily, Weekly And Monthly
Apr 13	Daily, Weekly And Monthly	Daily	Daily, Weekly And Monthly	Weekly	Monthly	System Discontinued	Daily	Daily, Weekly And Monthly	Daily, Weekly And Monthly
May 13	Daily, Weekly And Monthly	Daily	Daily, Weekly And Monthly	Weekly	Monthly	System Discontinued	Daily	Daily, Weekly And Monthly	Daily, Weekly And Monthly
June 13	Daily, Weekly And Monthly	Daily	Daily, Weekly And Monthly	Weekly	Monthly	System Discontinued	Daily	Daily, Weekly And Monthly	Daily, Weekly And Monthly

Chapter 4

Human Resources & Organisational Structure



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Introduction

The municipal Manager is the head of the Municipal administration and is subject to the policy directions of the Council (in terms of Section 55 of the Municipal Systems Act, Act No. 32 of 2000). The Municipal Manager is required to form and develop an economical, effective, efficient and accountable administration. The employment of staff is subject to the Employment Equity Act, Act No. 55 of 1998. The person appointed in any capacity must have the relevant skills and expertise to perform the duties associated with the post but the protection and advancement of persons disadvantaged by unfair discrimination is also taken into account.

Human Resources

1. Locality

Since 2009, the Greater Kokstad Municipality has focussed attention on human resources policies and many were implemented and also reviewed during 2012/2013. There are areas still to be addressed and policies will also be reviewed in the 2013/2014 financial year. On an annual basis, councillors and employed staff are required to sign a Code of Conduct and Declaration of Financial Interest. Also in place is a Human Resources Strategy and an Employment Equity Plan which are reviewed on an annual basis.

One challenge the Municipality has been confronted with is the non-representation of certain race and gender groups and the failure for employment opportunities to appeal to these groups. In response to alleviating the lack of capacity and scarcity of skills, the Municipality has prepared a five year Skills Development Plan which concentrates on:

- Employment profile
- Employee qualification profile
- Annual training and skills priorities
- Beneficiaries for programmes
- Learnership, skills and apprenticeships
- Quality assurance of training and development service providers.

Table 4.1 : Employment Equity for top management (Section 57) by race and gender for 2012 /13

Target Group: Race and Gender	Level of Representation: Required Workforce	Percentage of Workforce (%)
African Female	1	20%
African Male	4	80%
Coloured Female	0	0%
Coloured Male	0	0%
Indian Female	0	0%
Indian Male	0	0%
White Female	0	0%
White Male	0	0%
Total	5	100%

Table 4.2 : Qualification profile for Leadership, Governance and Managers

Table 4.4: Qualification profile for Leadership, Governance and Managers

Personnel	Below NQF 1	NQF 1	NQF 2	NQF 3	NQF 4	NQF 5	NQF 6	NQF 7	NQF 8
Mayor	0	0	0	0	0	0	1	0	0
Councillors	0	0	0	3	9	3	0	0	0
Municipal Manager	0	0	0	0	0	0	1	0	0
Corporate Services	0	0	0	0	1	1	2	0	0
Financial Services	0	0	0	0	0	3	2	0	0
Community Development	0	0	0	0	1	4	2	0	0
Infrastructure, Planning and Development	0	0	0	0	0	8	1	0	0
Total	0	0	0	3	11	19	9	0	0

Table 4.3 : Skills profile of employees for 2011 / 2012

Description	Total Number	Total Percentage (%)	Total Trained	Gender		Budget Spent
				Males	Females	
Professionals	96	27.66%	78	36	42	R611 638.00
Artisans/Technicians	22	6.34%	0	0	0	R0.00
Unskilled	185	53.31%	18	8	10	R76 000.00
Learnerships	36	10.37%	36	15	21	R288 000.00
In-service Trainees	8	2.32%	7	1	6	R0.00
Total	347	100%	164	60	79	R975 638.00

Table 4.4 : Qualification profile for Leadership, Governance and Managers

Personnel	Below NQF1		NQF 1		NQF 2		NQF 3		NQF 4		NQF 5		NQF 6		NQF 7		NQF 8	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Professionals	0	0	0	0	0	0	2	1	6	4	19	4	5	3	0	0	0	0
Artisans/Technicians	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	2	1	6	4	26	4	5	3	0	0	0	0

Table 4.5 : Pension Fund Membership for 2012 / 13

Date	SALA	Natal Joint Municipal Pension Fund	SAMWU	Government Employees Pension fund	Municipal Employees Pension Fund	Total
01 July 2012	91	123	25	1	117	357
30 June 2013	91	142	26	1	111	371

Table 4.6 : Medical Aid Membership for 2012 / 13

Date	Bonitas	Key Health	SAMWUMED	LA Health	Hosmed	Total
01 July 2012	64	40	57	31	18	210
30 June 2013	61	33	59	39	26	218

Table 4.7 : Termination per department for 2012 / 13

Department	Resignations	Death	Dismissals	Other	Termination of Contract	Total
Municipal Manager	0	0	0	0	0	0
Corporate Services	6	0	0	1	0	7
Financial Services	2	0	0	0	0	2
Community Development	4	4	0	0	0	8
Infrastructure, Planning and Development	1	1	2	0	0	4
Total	13	5	2	1	0	21

Table 4.9 : Termination per department for 2012 / 13

No.	Department		Post	Level
1.	Municipal Manager	0	Municipal Manager	Sec 57
2.	Corporate Services	1	Executive Manager: Corporate Services	Sec57
3.	Financial Services	0	Executive Manager: Financial Services (CFO)	Sec 57
4.	Community Development	0	Executive Manager: Community Development Services	Sec 57
5.	Infrastructure, Planning and Development	0	Executive Manager: Infrastructure, Planning & Development Services	Sec 57
	Grand Total	1		

Table 4.10 : Diciplinary Tribunal per Department as at June 2013

Department	No. Of Cases	Cost Incurred/ Cost Recovery	Completed	Outstanding	Total
Municipal Manager	0	Ro	0	0	0
Corporate Services	0	Ro	0	0	0
Financial Services	0	Ro	0	0	0
Community Development	19	Ro	1	18	19
Infrastructure, Planning and Development	16	Ro	1	15	16
Total	35	Ro	2	33	35

Table 4.11 : Learnership

No.	Name	Gender	Location	Amount Spent
1.	Plumbing	Male and Female	Kokstad	R 364 000.00
2.	Electrical	Male and Female	Kokstad	
3.	Construction	Male and Female	Kokstad	

Organisational Structure

To support and ensure the objectives of local government as incorporated in the White Paper are implemented within the Municipality, the administration is guided and directed by an impressive and dynamic leadership. The Greater Kokstad Municipality has been structured in order to address the challenges and execute the functions delegated to it.

The operations of the Municipality is administered and managed by five components or departments. Each department is managed by a Departmental Head who is appointed in terms of Section 57 of the Local Government Municipal systems Act. These departments ensure that:

- the goals and objectives set by Council are implemented;
- key performance targets are achieved within the annual budget; and
- excellent service is delivered to the community.

The departments work closely together to provide a holistic entity and positive image for the Municipality. They also interact, co-operate, assist and support other municipal areas and Sisonke District Municipality as well as provincial and national government departments.

The organisation of the Municipality is as follows:

- Office of the Municipal Manager
- Infrastructure, Planning and Development Services
- Community Development Services
- Financial Services
- Corporate Services.

During 2012/13 financial year the structure of the municipality was amended to insure that it is in line with the current reality that is faced by the institution.

High Level Organisational structure for the greater Kokstad Municipality

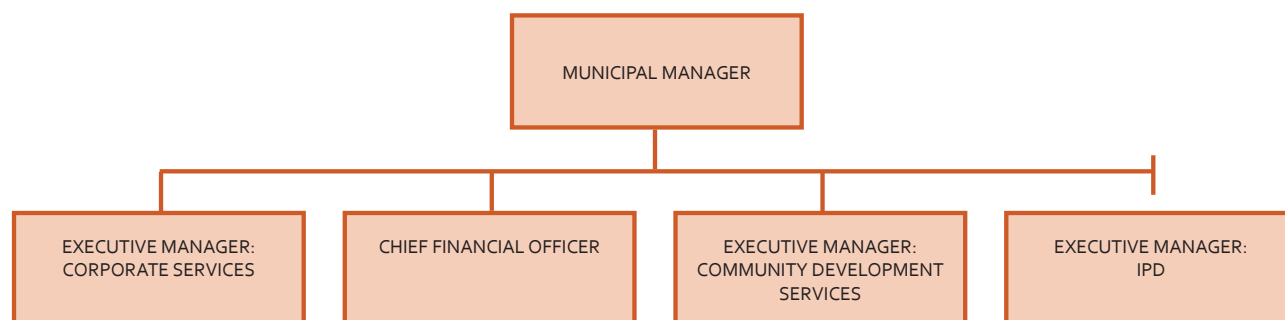


Table 4.12 : Organogram as at June 2013

Department	Total No. Of Posts	Filled Posts	Funded Vacant Posts	Unfunded Vacant Posts	Percentage Vacant Posts
Municipal Manager	48	20	6	22	58.33%
Corporate Services	59	48	1	10	18.64%
Financial Services	48	41	3	4	14.58%
Community Development	400	162	1	237	59.5%
Infrastructure, Planning and Development	241	122	1	118	49.37%
Total	796	393	12	391	50.62%

Strategic Objectives

Office of the Municipal Manager

1. Strategic Planning, Development and Intergovernmental Relations

Purpose is to provide strategic planning, development and intergovernmental relations:

- The facilitation of the annual Integrated Development Planning strategic planning process.
- The development of appropriate strategies to address the municipal KPA's.
- The development and implementation of an organisational performance management system.
- Monitoring and evaluation of the implementation of municipal programmes, policies and projects.

2. Support to Political Office Bearers

Purpose is to provide support services to the executive and political officer bearers:

- The provision of support services to political office bearers.
- The provision and promotion of community participation services.

3. Youth

Purpose is to render youth, sports and recreation programmes:

- The management and co-ordination of activities related to youth.
- The identification, support and co-ordination of sporting activities within the Municipality.

4. Special Programmes

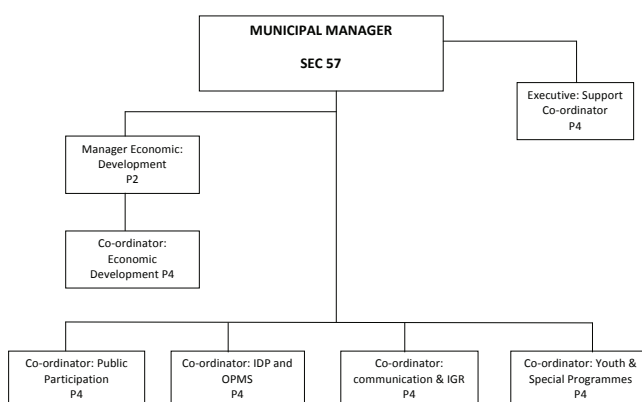
Purpose is to render special programmes:

- The management and co-ordination of activities related to children, disabled, aged, HIV/Aids, gender, women and other projects.
- The identification, support and co-ordination of activities related to the above groups within the Municipality.



Office of the Municipal Manager

Standing (from left): Mr. K Xorile (Co-ordinator: Youth & Special Programmes), Mr. M Matam (Co-ordinator: LED), Mr S Ncwane (Co-ordinator: Communications & IGR), Mr G Ogle (Manager: LED). Seated (from left): Ms H Adkins (Executive Support Officer), Mr N Msiya (Acting Municipal Manager), Mrs M Coetzee (Manager: Customer Care). Absent: Mr. A Zimu (Co-ordinator: IDP/OPMS) and Ms B Mkhulise (Co-ordinator: Community Participation).



5. Internal Audit and Risk Management

Purpose is to provide internal audit and risk management services:

- The rendering of regulatory and IT audits.
- The execution of special audits and investigations.
- The rendering of comprehensive or compliance financial, operations, performance and fraud-risk review audits.
- The reporting of audit results.

6. Local Economic Development, Poverty Alleviation and Tourism

Purpose is to promote local economic development and poverty alleviation initiatives:

- The implementation, monitoring and evaluation of municipal LED strategy and projects.
- The implementation of municipal poverty alleviation strategy and projects.
- The promotion and support of SMME's.
- The provision of tourism development services.
- The provision of informal traders administration services.

Corporate Services

1. Administration Services

Purpose is to provide administrative support and information technology services:

- The provision of secretariat services.
- The provision of general administrative services.
- The provision of Information Technology and reception services.

2. Human Resources Management

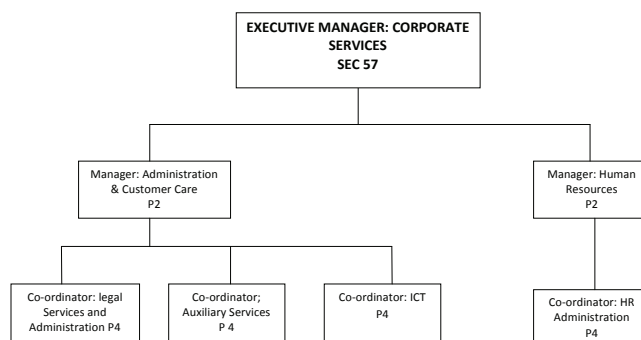
Purpose is to provide human resources management and development services:

- The provision of human resources management and development services.
- The provision of general human resources administrative support services.



Corporate Services Department

Seated (from left): Mr. T Makhoba (Executive Manager Corporate services), Ms T Eksteen (Co-ordinator: Personnel Administration), Mr N Mthimkhulu (Co-ordinator: Auxiliary Services)
Absent: Mr. G Tywabi (Co-ordinator: ICT), Mr M Mhlanti (Co-ordinator: General Administration) and Mrs N Mkhize (Manager: HR)



Financial Services

1. Compliance, Budgeting and Reporting

Purpose is to manage the municipal budgeting and reporting process:

- The provision of management accounting and financial compliance services.
- The management of the budgeting process.
- The management of municipal assets and liabilities.
- The provision of financial reporting services.

2. Expenditure Management

Purpose is to manage and control municipal expenditure:

- The development, implementation and management of procedures, systems and controls related to salaries and expenditure.
- The development, implementation and management of procedures, systems and controls related to the procurement of goods and services.

3. Revenue Management

Purpose is to collect, manage and control municipal revenue:

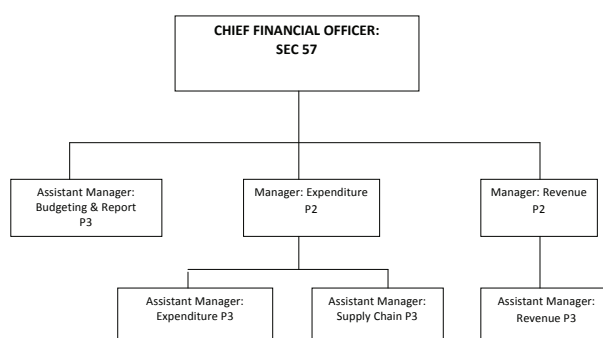
- The collection of revenue owed to the Municipality.
- The development, implementation and management of procedures, systems and controls related to credit control and debt collection.



Department of Financial Services

Standing (from left): Mr S Khoza (Assistant Manager: Revenue) and Mr W Doyte (Manager: Revenue)

Seated (from left): Ms Q Deyi (Assistant Manager: Budget & Report), Ms N Gqola (Chief Financial Officer), Ms N Mbongwa (Assistant Manager: Expenditure)



Community Development Services

1. Community Social Services

Purpose is to render community social services:

- The management, maintenance and control of facilities and amenities.
- The management, maintenance and control of solid waste, landfill sites, parks and cemeteries.

2. Community Safety

Purpose is to render community safety services:

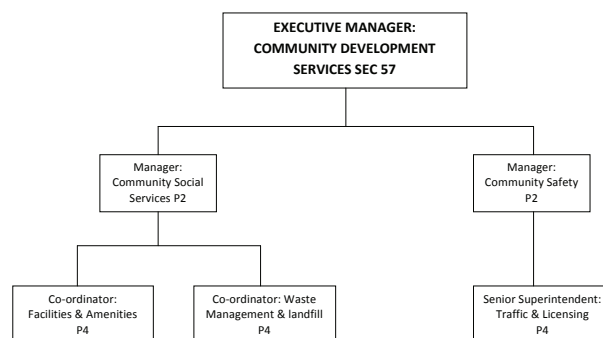
- The provision of traffic control and licensing services.
- The provision of fire fighting, fire prevention and disaster management services.



Community Development Services

Standing: Mr. M Maphanga(Senior Superintendent: Traffic and licensing)

Seated (from left): Mr. S Mtshengu(Manager: Community Safety), Mr. N Msiya (Executive Manager: Community Development Services), Mr. N Sobuce (Manager: Community Services).



Infrastructure, Planning and Development Services

1. Civil Engineering

Purpose is to develop, operate and maintain civil infrastructure:

- The management of municipal infrastructure grant-funded projects.
- The maintenance of municipal infrastructure, plant and equipment.

2. Electrical Engineering

Purpose is to construct, operate and maintain electrical infrastructure networks:

- The planned and predictive maintenance and repair of medium/low voltage electrical infrastructure networks.
- The management of electrical infrastructure installation projects.

3. Spatial Planning and Development Services

Purpose is to provide spatial planning and development services:

- The rendering of spatial planning and LUMS services.
- The facilitation and management of municipal housing allocation.
- The provision of building control services.
- The provision of GIS administration services.

4. Departmental Structure

Each section or department is structured into business units that are established according to the line Functions specified in the IDP. Each of these subsections are further divided into divisions that are headed by Level 2 Managers.

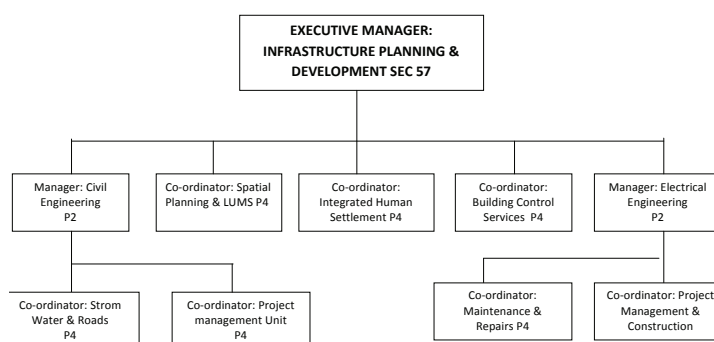


Infrastructure, Planning and Development

Standing (from Left): Mr. K Marais(Chief Town Planner), Mr. T Shandu (Co-ordinator: Project Management Unit), Mr S Madikizela (Co-ordinator:LUMS & Spatial Planning, Mr. D Barker (Co-ordinator: Electrical services)

Seated (from left): Mr. G Gwagwa (Acting Manager: electrical), Mr. A Velem (Executive Manager: infrastructure, Planning and Development), Mr.F Delange (Manager: Civil Engineering)

Absent: Mr T Mfene(Co-ordinator: Building Control) and Mr W Dladla (Co-ordinator:Stormwater)



Chapter 5

Report on the Financial Statements



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REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE AND COUNCIL ON GREATER KOKSTAD MUNICIPALITY

Report on the Financial Statements

Introduction

1. I have audited the financial statements of the Greater Kokstad Municipality set out on pages ... to ... , which comprise, the statement of financial position as at 30 June 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2012 (Act No. 5 of 2012) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the general notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Greater Kokstad Municipality as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Going concern

8. As disclosed in note 39 to the financial statements, there is significant pressure on the municipality's cash reserves and current liabilities exceed current assets by R43,55 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern.

Irregular expenditure

9. As disclosed in note 43 to the financial statements, irregular expenditure amounting to R16,11 million was incurred as a result of contracts awarded to suppliers in contravention of the *Municipal Supply Chain Management Regulations (MSCMR)*.

Unauthorised expenditure

10. As disclosed in note 41 to the financial statements, unauthorised expenditure amounting to R29,32 million was incurred as the municipality had exceeded the limits provided for in the approved budget.

Material impairment

11. As disclosed in note 28 on debt impairment, material losses of R13,20 million were incurred as a result of a write-off of irrecoverable trade debtors.
12. As disclosed in note 7 on consumer debtors, the municipality impaired its consumer debtors by R25,40 million as a result of the annual review of outstanding consumer debt.

Significant uncertainties

13. With reference to note 35 to the financial statements, the municipality is a defendant in civil claims regarding damages to property and supply chain management awards. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

14. As disclosed in note 46 to the financial statements, the corresponding figures for 30 June 2012 have been restated as a result of errors discovered during 2013 in the financial statements of the Greater Kokstad Municipality at, and for the year ended, 30 June 2012.

Report on other Legal and Statutory Requirements

15. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

16. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages ... to ... of the annual report.
17. The reported performance against predetermined objectives was evaluated against the

overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information* (FMPPI).

18. The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
19. The material findings are as follows:

Measures taken to improve performance not disclosed

20. Section 46(1)(c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires disclosure in the annual performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for 37% of the planned targets not achieved were not reflected in the annual performance report. This was due to a lack of review of the reported performance information and the annual performance report disclosure checklist was not developed and implemented by management.

Measurability

Performance targets not specific

21. The FMPPI requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 36% of the targets were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that the integrated development plan (IDP) manager did not exercise adequate oversight over the preparation of the service delivery and budget implementation plan to ensure that it contained targets that were specific.

Performance targets not measurable

22. The FMPPI requires that performance targets be measurable. The required performance could not be measured for 33% of the targets. This was due to the accounting officer not implementing adequate controls to ensure that targets were measurable as well as a lack of proper reviews by the IDP manager and internal audit function to ensure that performance targets were measurable.

Performance indicators not well defined

23. The FMPPI requires that indicators should have clear, unambiguous data definitions so that data can be collected consistently and is easy to understand and use. A total of 45% of the indicators were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that the accounting officer did not implement adequate controls to ensure that performance indicators were well defined as well as a lack of proper reviews by the IDP manager and internal audit.

Relevance

Performance indicators not relevant

24. The FMPPI requires that indicators relate logically and directly to an aspect of the municipality's mandate or the realisation of strategic goals and objectives. A total of 24% of the indicators did not relate logically and directly to an aspect of the municipality's mandate or the realisation of strategic goals and objectives as per the five-year IDP. This was due to a lack of development and implementation of proper performance planning and management practices to provide for the development of relevant performance indicators included in the annual performance report.

Reliability of information

Reported performance not reliable

25. The FMPPI requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets with respect to building control were not reliable when compared to the source documentation and evidence provided. This was due to a lack of review by the IDP manager and internal audit to ensure that actual achievements were supported by accurate and reliable documentation.

Additional matter

26. I draw attention to the following matter below. This matter does not have an impact on the audit findings on predetermined objectives reported above.

Achievement of planned targets

27. Of the total number of 185 targets planned for the year, 61 targets were not achieved during the year under review. This represents 33% of total planned targets that were not achieved during the year under review. This was due to the fact that management did not perform an adequate mid-year review of targets and their related actual outcomes and to revise the targets to be realistic and achievable at year-end.

Compliance with laws and regulations

28. I performed procedures to obtain evidence that the municipality has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the general notice issued in terms of the PAA are as follows:

Strategic planning and performance management

29. The council's oversight report on the 2011-12 annual report was not made public within seven days of its adoption, as required by section 129(3) of the MFMA.

Annual financial statements and performance report

30. The financial statements submitted for auditing were not prepared, in all material respects, in accordance with the requirements of section 122 of the MFMA. Material misstatements of property, plant and equipment, investment property and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.
31. The annual performance report for the year under review did not include measures taken to improve performance, as required by section 46(1)(c) of the MSA.

Procurement and Contract Management

32. Contracts and quotations were awarded to bidders who did not submit a declaration on whether they were employed by the state or connected to any person employed by the state, as required by MSCMR 13(c).

33. Goods and services with a transaction value below R200 000 were procured without obtaining the required price quotations, as required by MSCMR 17(a) and (c).
34. Awards were made to providers who were in the service of other state institutions, in contravention of section 112(j) of the MFMA and MSCMR 44. Similar awards had been identified in the prior year and no effective steps were taken to prevent or combat the abuse of the process in accordance with MSCMR 38(1).

Expenditure Management

35. Money owing by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2)(e) of the MFMA.
36. Reasonable steps were not taken to prevent unauthorised and irregular expenditure, as required by section 62(1)(d) of the MFMA.

Asset Management

37. An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.

Waste Management

38. The municipality operated its waste disposal site without a waste management licence or permit, in contravention of section 20(b) of the National Environmental Management: Waste Act of South Africa, 2008 (Act No. 59 of 2008) and section 20(1) of the Environmental Conservation Act of South Africa, 1989 (Act No. 73 of 1989).

Internal Control

39. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

40. The accounting officer did not exercise oversight responsibility over the annual performance report and compliance with key legislation.

Financial and performance Management

41. Management did not implement adequate controls over the procurement of goods and services to comply with the requirements of the MSCMR and the MFMA.
42. Management did not perform an adequate review of the annual financial statements, annual performance report and their supporting schedules, prior to submission for audit.

OTHER REPORTS

Investigations in progress

43. Investigations into allegations of SCM irregularities and the misappropriation of funds at the municipality is in progress.

Auditor-General

Pietermaritzburg
30 November 2013

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Financial Position as at 30 June 2013

	note	2013	2012
ASSETS			
Current Assets			
Inventories	3	377,288	407,113
Receivables from exchange transactions	4	835,302	1,507,877
VAT receivable	5	889,345	1,285,341
Prepayments	6	108,023	231,069
Consumer debtors	7	19,158,041	21,109,384
Cash and cash equivalents	8	3,453,711	8,229,178
		24,821,710	32,769,962
Non-Current Assets			
Investment property	9	22,161,250	22,971,764
Property, plant and equipment	10	482,791,151	469,841,448
Intangible asset	11	39,109	199,647
Heritage assets	12	1,232,325	1,232,325
		506,223,835	494,245,184
Non-current assets held for sale and assets of disposal groups		741,600	(392,245)
Total Assets		531,787,145	526,622,901
LIABILITIES			
Current Liabilities			
Finance lease obligation	13	2,103,888	732,536
Payables from exchange transactions	14	50,599,619	34,687,140
Consumer deposits		3,776,365	3,288,446
Unspent conditional grants and receipts	15	3,242,429	5,485,762
Provisions	16	2,719,469	2,321,312
Current portion of long term borrowings	17	705,830	629,282
Deferred income		1,250,000	-
Bank overdraft	8	3,977,001	-
		68,374,601	47,144,478
Non-Current Liabilities			
Finance lease obligation	13	7,548,550	2,406,153
Long term Borrowings	17	2,185,152	2,890,980
Retirement benefit obligation	18	14,098,647	12,734,326
		23,832,349	18,031,459
Total Liabilities		92,206,950	65,175,937
Net Assets		439,580,195	461,446,964
Accumulated surplus		439,580,195	461,446,964

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Financial Position as at 30 June 2013

	note	2013	2012
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Accumulated surplus		439,580,195	461,446,964

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Financial Performance

	Note	2013	2012
Revenue			
Government grants & subsidies	19	85,138,416	73,603,215
Property rates	22	67,242,328	52,045,924
Service charges	23	91,833,681	88,037,842
Public contributions and donations	24	1,870,616	9,197
Rental of facilities and equipment		816,858	1,018,257
Licences and permits		3,691,518	2,890,119
Recoveries		299,730	218,991
Interest received - investment		432,490	771,048
Property rates - penalties imposed		4,016,278	3,193,452
Fines		388,603	1,457,330
Greenest Municipality Award		100,000	-
Recovery of provision		1,558,372	-
Total revenue		257,388,890	223,245,375
Expenditure			
General expenses	25	(72,640,675)	(73,682,893)
Employee costs	26	(85,644,425)	(69,267,399)
Remuneration of councillors	27	(4,268,233)	(4,255,409)
Debts impairment	28	(13,228,124)	(1,428,415)
Depreciation and amortisation	30	(33,224,699)	(40,552,263)
Finance costs	31	(1,092,008)	(728,242)
Repairs and maintenance		(3,585,675)	(2,105,007)
Bulk purchases	32	(61,779,836)	(51,610,779)
Collection costs		(2,084,941)	(1,587,470)
Total expenditure		(277,548,616)	(245,217,877)
		(20,159,726)	(21,972,502)
Gain on disposal of assets and liabilities		423,905	22,056
Fair value adjustments	29	(810,514)	-
		(386,609)	22,056
(Deficit) for the year		(20,546,335)	(21,950,446)

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Cash Flow Statement

	Note	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		157,880,371	147,072,147
Grants		82,895,083	73,603,215
Interest income		432,490	771,048
Other receipts		3,391,150	1,246,445
		<u>244,599,094</u>	<u>222,692,855</u>
Payments			
Employee costs		(89,912,658)	(73,522,808)
Suppliers		(121,970,661)	(51,610,779)
Finance costs		(1,092,008)	(728,242)
Other payments		(2,854,759)	(56,360,578)
		<u>(215,830,086)</u>	<u>(182,222,407)</u>
Net cash flows from operating activities	33	28,769,008	40,470,448
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	10	(45,079,849)	(67,202,329)
Proceeds from sale of property, plant and equipment	10	423,905	28,830,962
Net cash flows from investing activities		(44,655,944)	(38,371,367)
CASH FLOWS FROM FINANCING ACTIVITIES			
Movement in long term borrowings		(629,281)	(558,036)
Movement in retention		1,250,000	-
Finance lease movement		6,513,749	1,843,435
Net cash flows from financing activities		7,134,468	1,285,399
Net increase/(decrease) in cash and cash equivalents		(8,752,468)	3,384,480
Cash and cash equivalents at the beginning of the year		8,229,178	4,844,697
Cash and cash equivalents at the end of the year	8	(523,290)	8,229,178

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Original Budget	Budget Adjustments (i.t.o. s28 & s31 Of The MFMA)	Final Budget	Actual income	Variance (Refer to note 41)	Actual Income as % of final budget	Actual Income as % of original budget
Statement of Financial Performance							
Revenue							
Revenue from exchange transactions							
Service charges	102,729,549	(9,206,247)	93,523,302	91,833,681	(1,689,621)	98	89
Rental of facilities and equipment	2,027,000	(1,119,000)	908,000	816,858	(91,142)	90	40
Licences and permits	3,000,000	(600,000)	2,400,000	3,691,518	1,291,518	153	123
Investment revenue	674,000	(174,000)	500,000	432,490	(67,510)	86	64
Total revenue from exchange transactions	108,430,549	(11,099,247)	97,331,302	96,774,547	(569,510)	107	79
Revenue from non-exchange transactions							
Taxation revenue							
Property rates	96,311,187	4,604,813	100,916,000	67,242,328	(33,673,672)	67	70
Other own revenue	16,623,024	(1,841,370)	14,781,654	7,350,652	(7,431,002)	50	44
Transfer recognised - Operational	59,186,000	35,063,000	94,249,000	85,138,416	(9,110,584)	90	144
Transfer revenue							
Fines	2,972,000	(1,172,000)	1,800,000	388,603	(1,411,397)	22	13
Total revenue from non-exchange transactions	175,092,211	36,654,443	211,746,654	160,119,999	(51,626,155)	57	68
Total revenue	283,522,760	25,555,196	309,077,956	256,894,546	(52,195,354)	82	91
Expenditure							
Employee costs	(84,131,000)	5,017,000	(79,114,000)	(85,644,425)	(6,530,425)	109	103
Remuneration of councillors	(4,551,000)	-	(4,551,000)	(4,268,233)	282,767	94	94
Depreciation and asset impairment	(4,000,000)	(20,012,000)	(24,012,000)	(33,224,699)	(9,212,699)	178	1,067
Finance charges	(1,525,000)	483,000	(1,042,000)	(1,092,008)	(50,008)	105	72
Debt impairment	(4,000,000)	(11,000,000)	(15,000,000)	(13,228,124)	1,771,876	88	331
Repairs and maintenance	(6,334,000)	382,000	(5,952,000)	(4,785,146)	1,166,854	80	76
Material & Bulk purchases	(55,057,937)	(5,042,063)	(60,100,000)	(61,779,836)	(1,679,836)	103	112
Other expenditure	(68,417,637)	(16,738,132)	(85,155,769)	(73,526,145)	11,629,624	85	106
Total expenditure	(228,016,574)	(46,910,195)	(274,926,769)	(277,548,616)	(11,626,679)	104	126
Surplus/(Deficit)	55,506,186	(21,354,999)	34,151,187	(20,159,726)	63,822,844	(87)	(53)
Gain on disposal of assets and liabilities	150,000	1,193,000	1,343,000	423,905	(919,095)	142	1,272
Deficit before taxation	55,656,186	(20,161,999)	35,494,187	(19,735,821)	63,257,592	55	(50)
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	55,656,186	(20,161,999)	35,494,187	(19,735,821)	63,257,592	55	(50)

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

Going concern assumption

These annual financial statements have been prepared on the assumption that the municipality will continue to operate as a going concern for at least the next 12 months.

Comparative Information

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting

GRAP 20 Related Party Disclosures

GRAP 105 Transfer of Function Between Entities Under Common Control

GRAP 106 Transfer of Function Between Entities Not Under Common Control

GRAP 107 Mergers

Critical judgments, estimations and assumptions

'In preparing the annual financial statements, management is required to make estimates and assumptions that impact on the municipality financial statements once implemented. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.1 Property, plant and equipment

1.1.1 Initial recognition

Property, plant and equipment are tangible non-current assets (Including infrastructure assets) that are held for use in the production or supply of goods and services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

Items of property, plant and equipment are initially recognised as assets when:

- it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- the cost of the item can be measured reliably.

1.1.2 Initial measurement

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. These assets have been revalued in line with the transitional provisions, Directive 4, and have been recorded at Depreciated Replacement Cost. The cost of items of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.1.3 Subsequent Measurement - Cost Model

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

1.1.4 Depreciation and impairment

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have useful lives are depreciated separately.

Land is not depreciated as it is deemed to have an indefinite useful life.

Capital work in progress is not depreciable until it is transferred to the applicable property, plant and equipment category once it is ready and available for its intended use.

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount) and an impairment amount is charged to the Statement of Financial Performance.

The annual depreciation rates are based on the following estimated average asset lives.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.1 Property, plant and equipment (continued)

Item	Average useful life
Buildings	80 years
Motor vehicles	5 - 7 years
Infrastructure	
• Roads and Paving	20 years
• Bridges	30 years
• Storm water	15 years
• Gravel	20 years
• Substation and Transformers	40 years
• Poles, Cables and Lights	15 - 25 years
• Robots	10 years
Community	
• Buildings	80 years
• Recreational Facilities	5 years
• Security system	5 years
• Dams	5 - 15 years
• Libraries	15 - 20 years
• Parks and Gardens	15 years
• Cemeteries	15 - 20 years
• Community centres	5 - 20 years
• Computer equipment	3 - 5 years
Other property, plant and equipment	
• Emergency equipment	5 years
• Landfill sites	15 years
• Office equipment	5 years
• Furniture and Fittings	5 years
• Bins and containers	5 years
• Plant and equipment	5 - 7 years
• Other	5 years

1.1.5 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there is no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.2 Intangible Asset

An asset is identified as an intangible asset when it:

- is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the municipality or from other rights and obligations.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.2 Intangible Asset (continued)

Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

"Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential;
- the municipality has the ability to measure reliably the expenditure during development."

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Subsequent measurement

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

Residual value of intangible assets is estimated to be zero.

Amortisation

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Computer software	3 - 5 years
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The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The municipality test intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.3 Heritage assets

Initial Recognition

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

A heritage asset

shall be recognised as an asset if, and only if:

- (a) it is probable that future economic benefits or service potential associated with the asset will flow to the entity, and
- (b) the cost or fair value of the asset can be measured reliably.

Initial Measurement

An asset that has met the recognition requirement criteria for heritage assets shall be measured at its cost if such an asset has been acquired through an exchange transaction.

Where a heritage asset has been acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

Subsequent Measurement

Heritage assets are not depreciated based on their nature however the municipality assesses at each reporting date whether there is a need for impairment.

The class of heritage assets are carried at its cost less any accumulated impairment losses.

Derecognition

The carrying amount of a heritage asset is derecognised:

- (a) on disposal, or
- (b) when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognised.

1.4 Investment property

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction cost once it meets the definition of investment property. Investment Property is initially recognised when future economic benefits or service potential are probable and the cost or fair value can be determined reliably

The cost of self-constructed investment property is the cost at date of completion.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.4 Investment property (continued)

1.4.1 Subsequent measurement-Fair value model

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. Any gain or loss arising from a change in the fair value of the property is included in surplus or deficit for the period in which it arises.

Derecognition

Investment property is derecognised when there is a disposal or no future economic benefits or service potential are to be derived from the property.

All gains or losses, which result from the derecognition, are recognised in the Statement of Financial Performance.

1.5 Inventories

Initial recognition & measurement

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Subsequent Measurement

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Derecognition

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

1.6 Financial instruments

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

Financial Assets - Classification

A financial asset is any asset consisting of cash or a contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Investments in Fixed Deposits (Banking Institutions, etc)
- Unlisted investments
- Consumer Debtors
- Certain Other Debtors (see note 2.3)
- Short-term Investment Deposits
- Bank Balances and Cash
-

In accordance with GRAP 104, the Financial Assets of the municipality are classified as follows into the categories allowed by this standard:

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.6 Financial instruments (continued)

Type of Financial Asset	Classification in terms of GRAP 104
Short-term Investment Deposits – Call	Financial assets at amortised cost
Bank Balances and Cash	Financial assets at amortised cost
Long-term Receivables	Financial assets at amortised cost
Consumer Debtors	Financial assets at amortised cost
Other Debtors	Financial assets at amortised cost
Investments in Fixed Deposits	Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Financial Liabilities - Classification

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Long-term Liabilities
- Trade and other payables
- Bank Overdraft
- Short-term loans

Financial Liabilities of the municipality are classified into the following category as allowed by this standard

- Financial liabilities at amortised cost.

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the Effective interest method, with interest expense recognised on an effective yield basis.

Initial and Subsequent Measurement

Financial Assets:

Financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the effective interest method less, any impairment, with interest recognised on an effective yield basis in surplus /deficit.

Financial assets are recognised on the trade date at which the municipality becomes party to the contractual provisions of the instrument.

Financial Liabilities

Financial Liabilities at amortised cost are initially measured at fair value net of transaction costs.

Subsequently, these liabilities are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial liabilities are recognised on the trade date at which the municipality becomes a party to the contractual provisions of the instrument.

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence of impairment of financial assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104

An allowance for impairment based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable and are recognized in surplus or deficit for the year.

An allowance for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.6 Financial instruments (continued)

Changes in the carrying amount of the allowance for impairment are recognized in surplus or deficit for the year.

Derecognition of Financial Assets

The municipality derecognises financial assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of financial assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.7 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.8 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.9 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.10 Provisions

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.10 Provisions (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 35.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- financial difficulty of the debtor;
- defaults or delinquencies in interest and capital repayments by the debtor;
- breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.11 Leases

The Municipality as lessee

Recognition

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payment due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payment, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Measurement

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies application to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayments using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies related to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful lives or the lease term.

The Municipality as Lessor

Recognition

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease installments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies related to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised in a straight-line basis over the term of relevant lease.

Measurement.

Operating leases - lessee

Payments made under operating leases are charged to the statement of financial position on a straight line basis over the period of the lease

Derecognition

Operating leases - lessor

Assets leased to third parties under operating lease are included in investment property in the Statement of Financial Position. The assets are depreciated over their expected useful lives on a basis consistent with similar owned investment property. Rental income is recognised over the lease term.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.12 Revenue from exchange transactions

Recognition

Revenue from exchange transactions is only recognised once all of the following criteria have been satisfied:

- a) The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- b) The amount of revenue can be measured reliably; and
- c) It is probable that the economic benefits or service potential associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Measurement

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.13 Revenue from non-exchange transactions

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the municipality satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the municipality.

When, as a result of a non-exchange transaction, the municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.14 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised to the cost of that asset unless it is inappropriate to do so. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete. It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established. Borrowing costs incurred other than on qualifying assets are recognised as an expense in surplus or deficit when incurred.

1.15 Post-employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Medical Aid

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial period, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.16 Impairment of cash-generating assets

Cash-generating assets are those assets held by the municipality with the primary objective of generating a commercial return. When an asset is deployed in a manner consistent with that adopted by a profit-orientated entity, it generates a commercial return.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets held with the primary objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- (a) the period of time over which an asset is expected to be used by the municipality; or
- (b) the number of production or similar units expected to be obtained from the asset by the municipality.

Criteria developed by the municipality to distinguish cash-generating assets from non-cash-generating assets are as follow:

1.17 Housing Operating Account

The surplus arising from the revaluation of property, plant and equipment is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.18 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.19 Value Added Taxation

The Municipality accounts for Value Added Tax on the payment basis. This means that VAT is declared to the South African Revenue Services as input VAT or output VAT only when payments are made to suppliers or payments are received for goods or services. The net output VAT on debtors where money has not been received or creditors where payment has not yet been made is disclosed separately in the Statement of Financial Position in terms of GRAP 1

1.20 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Policies

1.20 Budget information (continued)

The approved budget covers the fiscal period from 2012/07/01 to 2013/06/30.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
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2. Changes in accounting policy

The municipality adopted the exempted portion of the following International Accounting Standards for the first time during the financial year 2012/13 in order to comply with the basis of preparation of the Annual Financial Statements as disclosed in Accounting policy 1. These have been implemented retrospectively as at 30 June 2013:

- GRAP 21 - Impairment of non-cash generating Assets
- GRAP 23 - Revenue from Non exchange Transactions
- GRAP 24 - Presentation of Budget Information in Financial Statements
- GRAP 26 - Impairment of Cash-generating Assets
- GRAP 103 - Heritage Assets
- GRAP 104 - Financial Instruments

The accounting policies were changed in accordance with these new standards of GRAP and restatements was necessary for GRAP 103, Heritage Assets.

A Budget statement has been included in these financial statements to comply with GRAP 24.

The disclosure of Financial Instruments in Note was changed in accordance with GRAP 104.

None of these GRAP standards had an effect on the financial position of the municipality, nor required any additional treatment prepared by GRAP 3.

GRAP 103 - Heritage Assets

The municipality elected to prepare its Accounting Policies for Heritage Assets in terms of GRAP 103 for the financial year 2012/13. The full net assets have been recognised retrospectively in the Annual Financial Statements.

The comparative amounts have been restated.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended 30 June 2013 is as follows:

Statement of financial position

Property, plant and equipment

Previously stated	-	388,042,947
Adjustment	-	94,943,204
	-	482,986,151

Heritage Assets

Adjustment	-	1,226,325
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3. Inventories

Stores, materials and fuels	377,288	407,113
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4. Receivables from exchange transactions

Sundry debtors	835,302	1,507,877
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5. VAT receivable

VAT	889,345	1,285,341
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VAT is payable on the payment basis

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
6. Prepayments		
Prepayments	108,023	231,069
7. Consumer debtors		
Gross balances		
Rates	14,349,755	17,472,257
Electricity	6,883,571	7,420,456
Refuse	22,396,871	22,305,800
Fire Levy	930,657	872,055
	44,560,854	48,070,568
Less: Allowance for impairment		
Rates	(7,760,857)	(121,390)
Electricity	(4,019,703)	(4,290,158)
Refuse	(13,078,790)	(21,755,817)
Fire Levy	(543,463)	(793,819)
	(25,402,813)	(26,961,184)
Net balance		
Rates	6,588,898	17,350,867
Electricity	2,863,868	3,130,298
Refuse	9,318,081	549,983
Fire Levy	387,194	78,236
	19,158,041	21,109,384
Rates		
Current (0 -30 days)	1,737,126	2,211,543
30 Days	541,402	689,262
60 Days	378,505	481,876
90 Days	324,772	413,469
+120 Days	11,367,950	13,676,106
	14,349,755	17,472,256
Electricity		
Current (0 -30 days)	2,006,897	2,163,425
30 Days	896,919	966,874
60 Days	824,134	888,413
90 Days	156,624	168,840
+120 Days	2,998,997	3,232,905
	6,883,571	7,420,457
Refuse		
Current (0 -30 days)	1,295,588	1,290,320
30 Days	868,653	865,121
60 Days	4,154,955	4,138,060
90 Days	709,937	707,050
+120 Days	15,367,738	15,305,249
	22,396,871	22,305,800

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
7. Consumer debtors (continued)		
Fire Levy		
Current (0 -30 days)	52,817	45,710
30 Days	37,583	32,526
60 Days	119,419	103,350
90 Days	34,138	29,544
+120 Days	686,701	660,924
	930,657	872,054
Summary of debtors by customer classification		
Consumers		
Current (0 -30 days)	5,771,352	8,302,231
60 Days	5,458,065	2,767,560
90 Days	1,207,387	1,808,316
+120 Days	29,331,680	34,639,941
	41,768,484	47,518,048
Less: Allowance for impairment	(25,402,813)	(26,961,184)
	16,365,670	20,556,864
National and provincial government		
30 Days	1,665,633	1,914,840
60 Days	18,948	1,493,632
90 Days	(18,084)	89,284
+120 Days	(30,087)	114,374
	1,636,410	3,612,130
Total		
Current (0 -30 days)	7,436,985	5,710,998
31 - 60 days	5,477,013	2,553,783
61 - 90 days	1,189,303	5,611,699
91 - 120 days	29,397,935	1,318,903
+120 Days	1,059,618	32,875,184
	44,560,854	48,070,567
Less: Allowance for impairment	(25,402,813)	(26,961,184)
	19,158,041	21,109,383
Less: Allowance for impairment		
Current (0 -30 days)	(2,686,275)	(3,235,342)
31 - 60 days	(1,284,739)	(1,475,770)
61 - 90 days	(2,803,069)	(3,178,581)
91 - 120 days	(759,165)	(743,561)
+120 Days	(17,869,565)	(18,327,931)
	(25,402,813)	(26,961,185)
Reconciliation of allowance for impairment		
Balance at beginning of the year	(26,961,185)	(25,060,725)
Contributions to provision- Exchange transactions	-	(1,900,460)
Decrease in provision	1,558,372	-
	(25,402,813)	(26,961,185)

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	33,317	24,074
Bank balances	-	2,251,292
Call deposits	3,420,394	5,953,812
Bank overdraft	(3,977,001)	-
	(523,290)	8,229,178
Current assets	3,453,711	8,229,178
Current liabilities	(3,977,001)	-
	(523,290)	8,229,178

The municipality had the following bank accounts

Account number	Bank statement balances		Cash book balances	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
FNB - 527 2002 4258 - Primary Account	(2,401,401)	1,909,358	(3,977,001)	2,251,292
FNB - 620 4994 7825	64,070	61,000	64,070	61,000
FNB - 622 9521 8947	5,089	-	5,089	-
FNB - 620 6810 2682	26,425	28,878	26,425	28,878
FNB - 620 8937 2868	1,131	1,990	1,131	1,990
FNB - 620 8992 7663	7,397	2,173	7,397	2,173
FNB - 621 9170 1476	14,509	1,547	14,509	1,547
FNB - 621 0368 9230	1,199,600	1,273,034	1,199,600	1,273,034
NED - 7165 013660	1,707	-	293	-
FNB - 621 9024 8221	1,755,354	1,577,986	1,755,354	1,577,986
STD - 308 6440 85	12,589	3,003,209	12,557	3,003,209
NED- 037 1650 13687	-	(106)	(106)	(106)
FNB - 622 9521 8947	-	2,000	-	2,000
FNB - 623 0064 1611	2,111	2,105	2,111	2,105
STD - 308648536 - 001	331,256	-	331,256	-
NED - 7165013687	8,171	-	1,000	-
Total	1,028,008	7,863,174	(556,315)	8,205,108

9. Investment property

	2013		2012	
	Cost / Valuation	Carrying value	Cost / Valuation	Carrying value
Investment property	22,161,250	-	22,971,764	-

Reconciliation of investment property - 2013

	Opening balance	Fair value adjustments	Total
Investment property	22,971,764	(810,514)	22,161,250

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

2013

2012

9. Investment property (continued)

Reconciliation of investment property - 2012

	Opening balance	Correction of error	Other changes, movements	Total
Investment property	3,559,513	6,989,200	12,423,051	22,971,764

10. Property, plant and equipment

	2013			2012		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	124,185,191	(81,457,714)	42,727,477	124,776,791	(79,542,392)	45,234,399
Motor vehicles	8,213,254	(2,765,370)	5,447,884	5,671,690	(1,349,412)	4,322,278
Infrastructure	514,665,371	(186,428,897)	328,236,474	511,241,364	(161,306,867)	349,934,497
Community	118,701,124	(82,261,230)	36,439,894	116,980,508	(79,751,598)	37,228,910
Other property, plant and equipment	25,301,375	(10,950,383)	14,350,992	19,138,820	(8,849,163)	10,289,657
Capital work in progress	55,588,430	-	55,588,430	22,831,707	-	22,831,707
Total	846,654,745	(363,863,594)	482,791,151	800,640,880	(330,799,432)	469,841,448

Reconciliation of property, plant and equipment - 2013

	Opening balance	Additions	Transfers	Donations	Depreciation	Total
Land and Buildings	45,234,399	-	(591,600)	-	(1,915,322)	42,727,477
Motor vehicles	4,322,278	2,541,564	-	-	(1,415,958)	5,447,884
Infrastructure	349,934,497	-	3,424,007	-	(25,122,030)	328,236,474
Community	37,228,910	-	(150,000)	1,870,616	(2,509,632)	36,439,894
Other property, plant and equipment	10,289,657	6,162,555	-	-	(2,101,220)	14,350,992
Capital work in progress	22,831,707	36,375,730	(3,619,007)	-	-	55,588,430
Total	469,841,448	45,079,849	(936,600)	1,870,616	(33,064,162)	482,791,151

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Disposals	Other changes or movements	Correction of error	Depreciation	Total
Land and Buildings	49,523,409	396,310	-	-	(2,783,200)	(1,902,120)	45,234,399
Motor vehicles	2,269,928	4,164,311	(15,950)	-	(49,500)	(2,046,511)	4,322,278
Infrastructure	283,513,545	17,817,931	-	-	79,620,831	(31,017,810)	349,934,497
Community	27,239,353	9,633,935	-	-	2,457,000	(2,101,378)	37,228,910
Other property, plant and equipment	7,855,403	5,903,504	(235,066)	975,195	(1,062,730)	(3,146,649)	10,289,657
Capital work in progress	17,260,834	29,286,338	(28,557,890)	195,000	4,647,425	-	22,831,707
Total	387,662,472	67,202,329	(28,808,906)	1,170,195	82,829,826	(40,214,468)	469,841,448

Assets subject to finance lease (Net carrying amount)

Motor vehicles	4,533,493	3,069,932
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Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

2013

2012

10. Property, plant and equipment (continued)

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Deemed cost

Aggregate of items valued using deemed cost	396,965,182	270,313,666
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Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

2013 2012

11. Intangible asset

	2013			2012		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2,180,556	(2,141,447)	39,109	2,180,556	(1,980,909)	199,647

Reconciliation of intangible asset - 2013

	Opening balance	Amortisation	Total
Computer software	199,647	(160,538)	39,109

Reconciliation of intangible asset - 2012

	Opening balance	Amortisation	Total
Computer software	537,441	(337,794)	199,647

12. Heritage assets

	2013			2012		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Heritage	1,232,325	-	1,232,325	1,232,325	-	1,232,325

Reconciliation of heritage assets 2013

	Opening balance	Total
Heritage	1,232,325	1,232,325

Reconciliation of heritage assets 2012

	Opening balance	Transfers	Correction of error	Total
Heritage	-	1,226,325	6,000	1,232,325

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
13. Finance lease obligation		
Minimum lease payments due		
- within one year	3,108,354	1,063,085
- in second to fifth year inclusive	9,010,232	2,833,561
	12,118,586	3,896,646
less: future finance charges	(2,466,148)	(757,957)
Present value of minimum lease payments	9,652,438	3,138,689
Present value of minimum lease payments due		
- within one year	2,103,888	732,536
- in second to fifth year inclusive	7,548,550	2,406,153
	9,652,438	3,138,689
Non-current liabilities	7,548,550	2,406,153
Current liabilities	2,103,888	732,536
	9,652,438	3,138,689
Assets subject to finance lease - Motor vehicles	4,582,993	3,119,432
14. Payables from exchange transactions		
Trade payables	8,107,531	4,622,789
Accrued leave pay	6,256,402	4,396,135
Other payables	30,946,814	20,304,253
Add: Debtors with credit balances	3,275,030	3,250,121
Retentions	2,013,842	2,113,842
	50,599,619	34,687,140
There was a change due to Retentions of R2 113 842 that was not recognised in the prior year		
15. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Horseshoe Township	1,199,600	1,273,030
Municipal Infrastructure Grant	2,546	-
IDP Community participation	85,672	-
Peoples Housing Project 12 and 13	26,425	28,878
Small Town Rehabilitation	-	2,948,646
KZN Arts and Culture	-	67,830
Housing account	1,925,086	1,167,378
Sports & Recreation	3,099	-
	3,242,428	5,485,762

Housing account:

The municipality is an implementing agent, it does not generate any proceeds from the construction of houses.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

2013 2012

16. Provisions

Reconciliation of provisions - 2013

	Opening Balance	Additions	Utilised during the year	Total
Provision for performance bonus	2,321,312	1,500,665	(1,102,508)	2,719,469

Reconciliation of provisions - 2012

	Opening Balance	Utilised during the year	Total
Other provisions	1,709,927	611,385	2,321,312

17. Long term Borrowings

The following loan bears interest at 12.26% per annum, with bi-annual instalments of R520,762.45 in December and June. The loan is repayable by 31 December 2016 and the capital portion amounts to R2 890 982.

Bhekintaba Station

Current Borrowings	705,830	629,282
Non-Current Borrowings	2,185,152	2,890,980
	2,890,982	3,520,262

18. RETIREMENT BENEFITS AND LONG SERVICE AWARD

The amounts recognised in the statement of financial position are as follows:

Opening balance	(12,734,326)	(10,782,151)
Net actuarial gains or losses not recognized	(540,868)	(1,124,633)
Current service cost	(553,491)	(454,413)
Interest cost	(931,336)	(889,516)
Contributions	661,374	516,387
	(14,098,647)	(12,734,326)

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

2013

2012

18. RETIREMENT BENEFITS AND LONG SERVICE AWARD (continued)

Defined contribution plan

It is the policy of the municipality to provide retirement benefits to all its employees. A number of defined contribution provident funds, all of which are subject to the Pensions Fund Act, exist for this purpose.

The municipality is under no obligation to cover any unfunded benefits.

Long Service Awards

Opening balance	(2,492,138)	(2,103,773)
Net actuarial gains or losses not recognised	(271,093)	(255,664)
Current service cost	(239,605)	(196,336)
Interest cost	(152,604)	(155,356)
Contributions	299,730	218,991
	(2,855,710)	(2,492,138)

Post Employment Health Care Benefits

Present value of the defined benefit obligation - Wholly unfunded	(10,242,188)	(8,678,378)
Net actuarial gains or losses not recognised	(269,775)	(868,969)
Current service cost	(313,886)	(258,077)
Interest cost	(778,732)	(734,160)
Contributions	361,644	297,396
	(11,242,937)	(10,242,188)

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
19. Government grants and subsidies		
Operating grants		
Equitable share	48,477,000	42,946,000
MSIG Project Consolidate	800,000	790,000
FMG	1,500,000	1,250,000
Grant Income - KZN Province	-	482,793
Sport and Recreation	146,901	703,106
IDP Grant	114,327	-
Expanded Public Works Programme	946,000	-
Municipal Excellence Award	1,000,000	-
Arts and Culture	744,830	831,861
	53,729,058	47,003,760
Capital grants		
Small Town Rehabilitation	2,948,646	3,251,354
Municipal Infrastructure Grant	19,317,454	15,927,000
Housing	9,143,258	7,421,101
	31,409,358	26,599,455
	85,138,416	73,603,215

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

Housing

Balance unspent at beginning of year	1,167,377	-
Current-year receipts	9,900,965	8,588,478
Conditions met - transferred to revenue	(9,143,257)	(7,421,101)
	1,925,085	1,167,377

This grant is used for upgrading informal settlement areas within the Municipality. No funds were withheld

Financial Management Grant - FMG

Current-year receipts	1,500,000	1,250,000
Conditions met - transferred to revenue	(1,500,000)	(1,250,000)
	-	-

This grant was used for implementation of MFMA, finance reforms and payment of intern's salaries. No funds were withheld by National.

Municipal Infrastructure Grant - MIG

Current-year receipts	19,320,000	15,927,000
Conditions met - transferred to revenue	(19,317,454)	(15,927,000)
	2,546	-

This grant is used for road infrastructure as part of upgrading of infrastructure projects.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
19. Government grants and subsidies (continued)		
Small Town Rehabilitation		
Balance unspent at beginning of 9 month period	2,948,646	-
Current-year receipts	-	6,200,000
Conditions met - transferred to revenue	(2,948,646)	(3,251,354)
	-	2,948,646

This grant is used for development in town like upgrading sidewalks, parkings and storm water drainage. No funds were withheld

Peoples Housing Grant

Balance unspent at beginning of 9 month period	28,879	28,588
Current-year receipts	289	291
Conditions met - transferred to revenue	(2,743)	-
	26,425	28,879

This grant is used for upgrading informal settlement areas within the Municipality. No funds were withheld.

Horseshoe Township

Balance unspent at beginning of 9 month period	1,273,030	1,224,081
Current-year receipts	44,619	48,949
Conditions met - transferred to revenue	(118,049)	-
	1,199,600	1,273,030

This grant is used for upgrading informal settlement areas within the Municipality. No funds were withheld.

MSIG Project Consolidate

Current-year receipts	800,000	790,000
Conditions met - transferred to revenue	(800,000)	(790,000)
	-	-

This grant is used for Ward Committee Participation, by-laws and policies and systems that support local government legislations. Municipal Audit outcome and General Valuation Roll. No funds were withheld.

Arts and culture

Balance unspent at beginning of year	67,830	155,400
Current-year receipts	677,000	744,291
Conditions met - transferred to revenue	(744,830)	(831,861)
	-	67,830

This grant is used for the provision of staffing costs for Library services within the Municipality. No funds were withheld.

Sports and Recreation

Current-year receipts	150,000	675,000
Conditions met - transferred to revenue	(146,901)	(675,000)
	3,099	-

This grant is used for upgrading and maintenance of Sports field. No funds were withheld.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
19. Government grants and subsidies (continued)		
IDP		
Current-year receipts	200,000	-
Conditions met - transferred to revenue	(114,327)	-
	85,673	-
This grant is for IDP compilation and processes.		
Municipal Excellence Award		
Current-year receipts	1,000,000	-
Conditions met - transferred to revenue	(1,000,000)	-
	-	-
EPWP		
Current-year receipts	946,000	-
Conditions met - transferred to revenue	(946,000)	-
	-	-

20. Financial instruments disclosure

Categories of financial instruments

2013

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	835,302	835,302
Consumer debtors	-	19,158,041	19,158,041
Cash and cash equivalents	3,453,711	-	3,453,711
VAT receivables	-	1,135,928	1,135,928
	3,453,711	21,129,271	24,582,982

Financial liabilities

	At amortised cost	Total
Long term borrowings	2,890,982	2,890,982
Trade and other payables from exchange transactions	50,599,621	50,599,621
Finance lease obligation	9,652,438	9,652,438
Consumer deposits	3,776,365	3,776,365
	66,919,406	66,919,406

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
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2012

Financial assets

	At fair value	At amortised cost	Total
Trade and other receivables from exchange transactions	-	1,507,877	1,507,877
Consumer debtors	-	21,109,384	21,109,384
Cash and cash equivalents	8,229,178	-	8,229,178
VAT receivable	-	1,285,341	1,285,341
	8,229,178	23,902,602	32,131,780

Financial liabilities

	At fair value	At amortised cost	Total
Trade and other payables from exchange transactions	-	34,687,140	34,687,140
Bank overdraft	3,977,001	-	3,977,001
Finance lease obligation	-	3,138,689	3,138,689
Long term borrowings	-	3,520,262	3,520,262
Consumer deposits	-	3,288,446	3,288,446
	3,977,001	44,634,537	48,611,538

Financial instruments in Statement of financial performance

2013

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	427,089	427,089
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	1,092,008	1,092,008
	1,519,097	1,519,097

2012

	At amortised cost	Total
Interest income (calculated using effective interest method) for financial instruments at amortised cost	771,048	771,048
Interest expense (calculated using effective interest method) for financial instruments at amortised cost	728,242	728,242
	1,499,290	1,499,290

Greater Kokstad Local Municipality

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Notes to the Annual Financial Statements

	2013	2012
21. Revenue		
Service charges	91,833,681	88,037,842
Rental of facilities and equipment	816,858	1,018,257
Licences and permits	3,691,518	2,890,119
Interest received - investment	432,490	771,048
Recoveries	299,730	218,991
Property rates	67,242,328	52,045,924
Property rates - penalties imposed	4,016,278	3,193,452
Government grants & subsidies	85,138,416	73,603,215
Public contributions and donations	1,870,616	9,197
Fines	388,603	1,457,330
Greenest Municipality Award	100,000	-
Recovery of provision	1,558,372	-
	257,388,890	223,245,375
The amount included in revenue arising from exchanges of goods or services are as follows:		
Service charges	91,833,681	88,037,842
Rental of facilities and equipment	816,858	1,018,257
Licences and permits	3,691,518	2,890,119
Recoveries	299,730	218,991
	96,641,787	92,165,209
The amount included in revenue arising from non-exchange transactions is as follows:		
Property rates	67,242,328	52,045,924
Property rates - penalties imposed	4,016,278	3,193,452
Interest received - investment	432,490	771,048
Government grants & subsidies	85,138,416	73,603,215
Public contributions and donations	1,870,616	9,197
Fines	388,603	1,457,330
Greenest Municipality Award	100,000	-
Recovery of provision	1,558,372	-
	160,747,103	131,080,166

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Notes to the Annual Financial Statements

	2013	2012
22. Property rates		
Rates received		
Residential	33,753,969	20,284,587
Commercial	18,432,947	13,267,759
Public service infrastructure	60,024	19,332
Government	30,282,601	26,489,148
Industrial	10,403,232	7,500,502
Agriculture	2,849,351	2,720,553
Sectional titles	1,724,588	1,003,089
Less: Rates rebates	(30,264,384)	(19,239,046)
	67,242,328	52,045,924
Property rates - penalties imposed	4,016,278	3,193,452
	71,258,606	55,239,376
Valuations		
Residential	2,023,617,480	1,044,462
Commercial	534,242,100	1,604,816
Public benefit organisation	140,962,500	778,227
Municipal	55,636,400	117,782
Government	2,355,331,300	-
Industrial	289,215,600	-
Agricultural	960,670,700	-
Public service infrastructure	17,707,200	-
Multipurpose	19,896,700	-
	6,397,279,980	3,545,287
23. Service charges		
Sale of electricity	79,489,314	73,141,032
Refuse removal	10,158,149	12,146,667
Other service charges	2,186,218	2,750,143
	91,833,681	88,037,842
24. Public contributions and donations		
Donations Received	1,870,616	9,197

Greater Kokstad Local Municipality

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Notes to the Annual Financial Statements

	2013	2012
25. General expenses		
Actuarial loss - post employment benefit	540,868	1,124,633
Administration	142,053	150,223
Advertising	781,191	784,151
Auditors remuneration	1,682,353	1,524,412
Bank charges	528,727	383,361
Commission paid	198,512	455,086
Computer expenses	247,570	-
Conferences and seminars	156,419	214,320
Consulting and professional fees	3,584,321	3,309,679
Contribution to doubtful debt provision	447,333	1,605,459
Current service cost	553,491	454,413
Departmental consumption	1,698,069	3,463,640
Electricity network	835,441	1,705,021
Entertainment	143,293	144,914
Financial management grant	1,447,733	1,108,759
Fuel and oil	1,848,917	1,581,186
Grant expenses	10,623,954	9,425,537
Insurance	222,829	2,538,758
Interest cost on post employment benefit	931,336	889,516
Lease rentals on operating lease	2,141,342	1,380,569
Levies	14,753	11,339
Licence fees	153,531	135,088
Magazines, books and periodicals	2,194,512	1,598,989
Other expenses	26,853,205	26,121,783
Postage and courier	716,608	620,669
Printing and stationery	571,635	882,299
Security (Guarding of municipal property)	3,854,210	3,689,390
Stocks and materials	1,282,458	1,198,145
Telephone and fax	1,165,799	1,081,832
Training	1,600,170	919,900
Transport claims	69,513	79,866
Travel - local	4,597,993	3,351,117
Uniforms	351,742	781,401
Valuation costs	458,794	967,438
	72,640,675	73,682,893

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	2013	2012
26. Employee related costs		
Basic	65,367,572	51,515,746
Bonus	1,175,449	1,453,564
Medical aid - company contributions	217,661	193,021
UIF	650,536	688,872
Post-employment benefits - Pension - Defined contribution plan	9,895,771	7,628,764
Travel, motor car, accommodation, subsistence and other allowances	4,491,603	4,039,345
Overtime payments	2,087,119	1,967,174
Long-service awards	726,495	655,942
Housing benefits and allowances	1,032,219	1,124,971
	85,644,425	69,267,399
Remuneration of Municipal Manager		
Annual Remuneration	617,311	650,518
Car and Cellphone Allowance	201,000	170,784
Performance and other Bonuses	-	168,180
Contributions to UIF, Medical and Pension Funds	125,076	78,049
Housing Allowance	106,465	101,776
Leave Payout	-	189,291
	1,049,852	1,358,598
Remuneration of Chief Finance Officer		
Annual Remuneration	495,119	361,781
Car and Cellphone allowance	266,281	149,826
Contributions to UIF, Medical and Pension Funds	78,198	65,567
Housing Allowances	21,232	30,785
Performance Bonus	-	82,387
Leave Payout	-	150,377
	860,830	840,723
Remuneration of Corporate Service Manager - Senior Manager		
Annual Remuneration	337,735	531,966
Car Allowance, Cell Allowance	58,368	172,643
Performance Bonuses and other	-	82,387
Contributions to UIF, Medical and Pension Funds	139,608	28,526
Leave Payout	22,008	206,260
Housing Allowances	20,000	-
Annual bonus	15,657	-
	593,376	1,021,782
Remuneration of Social Development Manager - Senior Manager		
Annual Remuneration	512,882	487,858
Car Allowance, Cell Allowance	177,339	166,339
Performance Bonuses	-	82,387
Contributions to UIF, Medical and Pension Funds	92,390	78,594
Housing Allowance	56,988	53,988
	839,599	869,166

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	2013	2012
26. Employee related costs (continued)		
Remuneration of Infrastructure Planning and Development Manager - Senior Manager		
Annual Remuneration	499,459	467,106
Car Allowance, Cell Allowance	175,500	161,075
Performance Bonuses	-	82,387
Contributions to UIF, Medical and Pension Funds	108,807	97,401
Housing	60,173	61,198
	843,939	869,167
27. Remuneration of councillors		
Mayor	632,150	630,735
Deputy Mayor	509,495	508,358
Speaker	509,495	508,358
Executive Committee Member	189,538	264,155
Councillors	1,445,684	1,400,276
Councillors' pension and medical aid contributions	296,327	268,269
Councillors allowances	685,544	675,258
	4,268,233	4,255,409
28. Debt impairment		
Debt written off	13,228,124	1,428,415
29. Fair value adjustments		
Investment property (Fair value model)	(810,514)	-
30. Depreciation and amortisation		
Property, plant and equipment	33,064,161	40,214,469
Intangible assets	160,538	337,794
	33,224,699	40,552,263
31. Finance costs		
Borrowings	1,092,008	728,242
32. Bulk purchases		
Electricity	61,779,836	51,610,779

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	2013	2012
33. Cash generated from operations		
Deficit	(20,546,335)	(21,950,446)
Adjustments for:		
Depreciation and amortisation	33,224,699	40,552,263
Gain sale of assets and liabilities	(423,905)	(22,056)
Fair value adjustments	810,514	-
Debts written off	13,228,124	1,428,415
Movements in retirement benefit assets and liabilities	1,364,321	1,952,175
Movements in provisions	398,157	611,385
Recovery of provision for impairment	(1,558,372)	-
Donations of halls	(1,870,616)	-
Prior year adjustments	-	(2,374,144)
Other non cash items	40,696	-
Changes in working capital:		
Inventories	29,825	70,465
Other receivables from non-exchange transactions	672,575	2,441,245
Trade and other receivables from exchange transactions	(11,276,782)	6,681,506
Prepayments	123,046	(151,536)
Payables from exchange transactions	15,912,479	4,414,264
VAT	395,996	2,795,931
Unspent conditional grants and receipts	(2,243,333)	3,594,899
Consumer deposits	487,919	426,082
	28,769,008	40,470,448
34. Commitments		
Authorised capital expenditure		
Approved and Contracted for		
• Infrastructure	23,764,768	91,581,286
• Community	33,186,791	2,000,000
	56,951,559	93,581,286
Approved but not yet contracted for		
• Infrastructure	11,681,000	3,900,000
• Community	1,200,000	14,500,000
	12,881,000	18,400,000
Funding		
This expenditure will be financed from :		
-Government	64,022,027	-
-Own resources	5,054,968	-
	69,076,995	-
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	-	781,400

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

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35. CONTINGENT LIABILITIES

The municipality is involved in the following litigation issues as stated in the table below.
The municipality's lawyers and management consider the likelihood of the action against the municipality being successful as unlikely.

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LITIGATION MATTERS EXTRACT FROM THE JUNE 2013 MONTHLY REPORT

No.	Type	Issue	Parties	Municipal Attorney	Instruction Date	Financial Implications	Status
GENERAL CIVIL LITIGATION							
1.	Construction Industry Development Board (CIDB) Hearing	Alleged Irregular Award of Tender of Phase 3 Road Construction.	CIDB v GKM	Matthew Francis Inc.	11/08/2010	R100 000	<p>Hearing was held in Pretoria on the 2 May 13, after presentations by Legal Representative of both parties, the decision was reserved for a later date.</p> <p>On the 19 June 13, Mathew Francis, GKM attorney presented to the Strategic Diary (SD) the outcomes of the Hearing. After looking at different option and considering the legal opinion, the SD accepted that the GKM was at fault by not advertising on CIDB website and the attorney was asked to liaise with CIDB Representative in this regard.</p>
2.	High Court Civil Litigation	Improper Township Development (Ext7) by Torgos PTY (ltd)	GKM v Torgos (PTY) Ltd	Matthew Francis Inc.	03/11/2010	N/A	Meeting with Torgo's Attorneys (Richard Evans & Associates) has sat on 21 May 2013 to discuss possible settlement.

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3.	High Court Civil Litigation	Shayamoya Landfill Site Rehabilitation - Bid Award Objection by MKT Construction (The Unpreferred Bidder)	MKT Construction v GKM	Matthew Francis Inc.	04 August 2011	R2 500 000	A communiqué has been sent requesting instructing the Attorneys to apply for the dismissal of this case or an alternative arrangement.
4.	High Court Civil Litigation	Electricity Tariffs Dispute (Kokstad Chamber of Commerce on behalf of some businesses)	Kokstad Chamber of Commerce (KCC) <i>et al</i> v GKM	Matthew Francis Inc.	19 October 2011	R60 000	Due to non-payment of about R33 000 two Municipal vehicles have been attached by the Sheriff of the High Court and their subsequent sale should be by 04 March 2013 if no payment is effected by 28 February 2013.
5.	High Court Civil Litigation	Breach of contract- InkunziCivils	InkunziCivils v GKM	Elliot & Walker Attorneys	15 November 2007	R1 000 000	On 24 April 2013 a Warrant of Execution against the Municipality attaching Municipal bank account in <i>lieu</i> of R853 000.00 was effected.
6.	Damages claim	Demand for return or payment of construction material	Sinkshow Construction cc v GKM	Ndumndum Attorneys	26 October 2012	R100 000	Matter argued in court on 22 May 2013 and judgment reserved till 15 August 2013.
7.	Land Claims Court matter	Unlawful impounding of livestock by SPCA	MathokozaM aile& Another v GKM, SPCA <i>et al</i>	Ndumndum Attorneys	26 October 2012	N/A	As at 22 May 2013, Applicants Attorneys (Mzila Attorneys) have yet to advise of any outstanding issue.
8.	High Court	Debt owed due to impermissible salary increment of a Member	NJMPF v GKM	N/A	07 June 2013	R217 176-99	Notice to institute proceedings against a state received and the municipality has since committed to pay and thus settle this matter.
9.	Magistrate's Court	Sue for Damages in respect of a shack demolition	PhumeleleDa da v GKM	N/A	23 May 2013	R4010-00	Plaintiff resides at Erf 6346 and approached the Small Claims Court for R4010-00 damages in <i>lieu</i> of damages to her shack when

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							demolished by the Municipality. The claim has since been settled and the matter has thus been closed.
10.	High Court	Demand for payment	Leblanc Jasco T/A Lighting Structures	To be appointed	June 2013	R325 986-18	Attorneys demanding payment through cession agreement.
11.	Magistrate's Court	Withdrawal of a Court Interdict & transfer of property	SA Mbhele & B Mitha	Mdledle Inc.	29 January 2013	N/A	Awaiting feed-back from Mdledle Attorneys. Due to failure to report by Mfingwana & Associates another Attorney is to be instructed.
12.	Magistrate's Court	Breach of contract	Umbilo FET College v GKM	HammanPh ohlo Attorneys	26 October 2012	R15 000	Matter set-down for trial on 17 September 2013.
13.	Planning & Development Appeal Tribunal	Planning and Development objection	Dr. ER King v GKM & Spargs	To be instructed		N/A	Attorneys to be instructed to defend this matter.
MOTOR VEHICLE ACCIDENTS (MVA)							
14.	Magistrate's Court	Motor Vehicle Accident	Zintathu Diko v Stanley Mnduzulwana (GKM Employee)	Mdledle Inc.	08 November 2012	R10 000	Municipal Attorneys challenged the claim whilst this matter was previously settled with payment accepted by Plaintiff. Awaiting feed-back in this regard. Due to failure to report by Mfingwana & Associates another Attorney is to be instructed.
15.	Magistrate's Court	Motor Vehicle Accident	Mbulelo Sibiy a v GKM	Ndumndum Attorneys	26 October 2012	R 150 000	A Plea has been filed (Denying Thamsanqa Gwala's alleged employment by the Municipal Council as well as the ownership of the car) and Plaintiff's Attorneys yet to file papers.
16.	Magistrate's Court	Motor Vehicle Accident	Hoosen Kharvia v GKM	Ndumndum Attorneys	26 October 2012	R40 000	Special Plea filed by Municipal Attorneys (Challenging the serving of unsigned Summons and failure to issue a Notice of Plaintiff's intention to sue an organ of state) feed-back outstanding.

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17.	Magistrate's Court	Motor Vehicle Accident	Oaks Auto CC v GKM & NC Meggel	Mfingwana & Associates	26 October 2012	R 54 022-28	Attorneys awaiting feed-back from Plaintiff. Due to failure to report by Mfingwana & Associates another Attorney is to be instructed.
18.	Magistrate's Court	Motor Vehicle Accident	M Mfenqa v GKM	HammanPh ohlo Attorneys	26 October 2012	R5000	As at 22 May 2013, Municipal Attorneys awaiting feed-back from Plaintiff's Attorneys regarding the excess amount previously paid to the Plaintiff.
19.	N/A	MVA	Botha & Sutherland Attorneys v GKM	To be instructed	24 April 2013	R53 875-48	Attorneys to be instructed to defend this matter.
20.	N/A	MVA	CIB Insurance Administrator s v GKM	To be instructed	24 April 2013	R9 975-00	Attorneys to be instructed to defend this matter.
EVICCTIONS							
21.	Magistrate's Court	Eviction	Brian Harris v Ramos Nagadu & GKM	Mfingwana & Associates	26 October 2012	N/A	Matter postponed indefinitely in Court and there is no Court Order against the Municipality. Due to failure to report by Mfingwana & Associates another Attorney is to be instructed.
22.	Magistrate's Court	Eviction	Ntsebezo Qan gule v GKM & 2 Others	Mfingwana & Associates	26 October 2012	N/A	Matter postponed indefinitely in Court and there is no Court Order against the Municipality. Due to failure to report by Mfingwana & Associates another Attorney is to be instructed.
23.	Magistrate's Court	Eviction	Babalwa Mdo da v Mgede Letlats a & GKM	Mfingwana & Associates	26 October 2012	N/A	Matter postponed indefinitely in Court and there is no Court Order against the Municipality. Due to failure to report by Mfingwana & Associates another Attorney is to be instructed.
24.	Magistrate's Court	Eviction	Griqua National Independent Church v	Thomson Wilks Attorneys	13 November 2012	N/A	Matter attended in court on 20 February 2013 and postponed until further notice.

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			Adam Daniel Draai & GKM				
25.	Magistrate's Court	Eviction	SimphiweFu mba v Nkosiphendul e Don Manqindi & GKM	To be instructed	24 April 2014	N/A	Matter attended in court on 05 June 2013 and postponed to 03 July 2013 for a Sheriff's Return of Service by Applicant.
26.	Magistrate's Court	Eviction	Elliot Polly Pakkies v SebotsangHa rietBasi & GKM	To be instructed	24 April 2014	N/A	Matter attended in court on 05 June 2013 and postponed to 03 July 2013 for filing of opposing papers by Respondent.

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36. Related parties

There are no related parties for the current financial year.

37. Prior period errors

1. The depreciated replacement costs for roads were incorrectly calculated. The rates used by engineers were not market related rates.

2. Investment Properties were carried at incorrect values in the prior year.

3. Work in progress was incorrectly expensed in the prior period.

4. Work in progress was incorrectly capitalised to other assets in the prior period.

5. Accruals were not raised for the prior period.

6. Payments to finance leases were incorrectly expensed.

7. Retentions were not raised for the prior period.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Property, plant and equipment	-	82,829,826
Trade and other payables	(3,176,319)	-
Finance leases	91,689	-
Investment Property - Opening balance	20,003,851	6,989,200
Opening Accumulated Surplus or Deficit	210,739,913	-
Accumulated surplus	-	87,906,185

Greater Kokstad Local Municipality

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38. Risk management

Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

39. Going concern

The Municipality is currently in a position of negative liquidity. The amounts due in current liabilities are R 65 565 771 and are currently reciprocated by the net cash investments of R 3 418 050.21

The Municipality will continue to operate in the foreseeable future by observing internal austerity measures and ensuring further strengthening of internal controls. The Municipality has undergone substantial expenditure in the current year with respect to projects from their own reserves that have led to negative liquidity and year end going concern issues.

In the view of management The Greater Kokstad Municipality will continue to operate as a going concern in the foreseeable future.

Strategies that have been implemented those to be implemented are as follows:

- 1.Re-assessing of the funding of the 2013/2014 capital budget and the outer two(2) Medium Term Revenue and Expenditure.
- 2.Re-asses tariff of charges for 2014/2015 Medium Term Revenue and Expenditure Framework.
- 3.Implement and maintain strict credit control procedures.
- 4.Enhancing Budgetary controls.
- 5.Strict measures on Expenditure.
6. Recovery plan being developed with remedial strategies to improve the situation.

40. Events after the reporting date

There have been no facts or circumstances of a material nature that have occurred between the balance sheet date and the date of this report that require adjustment to disclosure in the annual financial statements.

Greater Kokstad Local Municipality

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	2013	2012
41. Unauthorised expenditure		
Unauthorised expenditure	-	42,465,441
Unauthorised expenditure resulting from vote	9,465,940	-
Unauthorised expenditure resulting from line item	17,472,968	-
Unauthorised expenditure resulting from use of excellence award	1,000,000	-
Unauthorised expenditure resulting from use of capital expenditure not approved for	1,378,988	-
	29,317,896	42,465,441

1. Rates

Due to changes in Property market values as a result of supplementary roll that issues during the year, Property values reduced deviating from budgeted from Property values.

2. Employee Costs

In the year 2011/2012 a moratorium was implemented on filling of vacancies. This was subsequently lifted in the year 2012/2013 resulting in an unanticipated increase in employee costs.

Increase in cost of employee costs was also due to unanticipated resignation of Senior managerial staff resulting in settlement packages and leave payouts thus deviating from budgeted

3. Depreciation

Due to the unbundling of assets depreciation increased.

4. Materials & Bulk Purchases

Bulk Eskom purchases, unit prices utilised to compile approved budget changed after budget as Eskom unit prices only after final approved budget.

5. Other income

The municipality has recovered on provision for bad debts.

42. Fruitless and wasteful expenditure

Opening balance	76,949	-
Eskom	72,719	-
Incorrect supplier banking(PMPZ)	-	76,949
SARS Penalty	119,327	-
SARS Interest	6,069	-
SARS Penalty (2008)	62,889	-
Condoned	(76,949)	-
	261,004	76,949

43. Irregular expenditure

Opening balance	11,272,666	2,719,490
Add: Irregular expenditure - current year	16,113,378	8,553,176
Less: Amounts condoned	(11,272,666)	-
	16,113,378	11,272,666

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	2013	2012
43. Irregular expenditure (continued)		
Details of irregular expenditure – current year		
Persons in service of the state		-
Nashua		329,110
Koeberg Power works		20,520
Aphola Trading CC		100,000
Coalition Trading CC		27,125
BroadBill		60,000
Tropical Eden Trading 623 CC		4,000
My Girl Sibongile Design		307,550
Generic Touch Events (PTY) LTD		49,640
		-
Extension of scope of work		-
Delta blue		440,337
S. Zoko Consulting CC		337,544
Fastmove Electrical		1,654,922
Points awarded on invalid BBBEE & EME certificates		-
Kokstad Nissan		618,766
Ronavu trading		43,400
Quotations above R30 000 not sought from database		8,640,470
Section 32 appointments		3,479,994
		16,113,378
44. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government		
Current year subscription / fee	623,168	309,463
Amount paid - current period	(623,168)	(309,463)
	-	-
Audit fees		
Current year fee	828,676	1,502,781
Amount paid - current period	(828,676)	(1,502,781)
	-	-
PAYE and UIF		
Current year fee	8,693,913	10,116,099
Amount paid - current period	(8,693,913)	(10,116,099)
	-	-
Pension and Medical Aid Deductions		
Current year fee	14,367,953	15,213,695
Amount paid - current period	(14,367,953)	(15,213,695)
	-	-

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Notes to the Annual Financial Statements

	2013	2012
--	------	------

44. Additional disclosure in terms of Municipal Finance Management Act (continued)

Councillors' arrear consumer accounts

30 June 2013

No Councillors had arrear accounts outstanding for more than 90 days at 30 June 2013:

30 June 2012	Outstanding less than 90 days	Outstanding more than 90 days	Total
Councillor ZA Mhlongo	-	9,967	9,967
Councillor N Mavuka	-	7,769	7,769
Councillor N T Mqikela	-	2,033	2,033
	-	19,769	19,769

45. SCM DEVIATIONS

Description

Sole Suppliers	434,191	1,252,724
Emergencies	190,346	67,459
One quote	16,950	131,164
Two quotes	-	50,000
Other deriations	120,871	1,347,997
	762,358	2,849,344

46. Non Compliance With CIBD

Details:

Construction of Ward 4 Community Hall	2,756,814	-
Construction of Ward 8 Community Hall	2,880,945	-
	5,637,759	-

47. ELECTRICITY LOSSES

The municipality has identified electricity losses in units 891 674.12, with an estimated value of R 600 988.36.
Refer to note no.34

48. Additional Information

Greater Kokstad Municipality received in kind assistance from Cogta and Provincial Treasury.

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

GREATER KOKSTAD MUNICIPALITY APPENDIX A (NON-AUDITABLE) SCHEDULE OF EXTERNAL LOANS FOR THE ENDED 30 JUNE 2013

				Balance at 01 July 2012	Received during the period	Redeemed / written off during the period	Balance at 30 June 2013
EXTERNAL LOANS		Loan number	Redeemable Date				
LONG-TERM LOANS							
INCA - R 5,800,000.00	12.26%	934-528050	30/06/2016	3,520,262	-	(629,282)	2,890,980
Total long-term loans				3,520,262	-	(629,282)	2,890,980
TOTAL EXTERNAL LOANS				3,520,262	-	(629,282)	2,890,980

Short term portion of Long term Loans

Dec 13	340,146.66	340,146.66
Jun 14	365,681.54	365,681.54
	705,828.20	705,828.20

Carrying Value of Property, Plant & Equipment	Other Costs in accordance with MFMA

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Supplementary Information

GREATER KOKSTAD MUNICIPALITY APPENDIX B (NON-AUDITABLE) ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2013

COST / REVALUATION								
	Opening Balance	Prior year adjustments	Revised opening	Additions	Under Construction	Other Changes and movements	Disposals	Closing Balance
Buildings	127,559,991	-2,783,200	124,776,791	-	-	-	-	124,185,191
Infrastructure	511,241,364	-	511,241,364	3,424,007	-	-	-	514,665,371
Community Assets	114,523,508	2,457,000	116,980,508	1,870,616	-	-	-150,000	118,701,124
Assets under Construction	20,522,865	2,113,842	22,636,707	36,375,730.13	-	-	-3,424,007	55,588,430
Other Assets	19,138,818	-	19,138,818	6,162,563	-	-	-	25,301,382
Motor Vehicles	5,721,190	-49,500	5,671,690	2,541,564	-	-	-	8,213,254
	798,707,736	1,738,142	800,445,878	50,374,480	-	-	-4,165,607	846,654,752
Non-current Assets Held For Sale	-	-	-	741,600	-	-	-	741,600
Investment Property	-	22,971,818	22,971,818	-	-	-810,514	-	22,161,304
Heritage	1,226,325	-	1,226,325	6,000	-	-	-	1,232,325
Intangible assets	2,180,556	-	2,180,556	-	-	-	-	2,180,556

ACCUMULATED DEPRECIATION					
Restated Opening Balance	Additions	Depreciation	Other Changes and movements	Closing Balance	Carrying Value
-79,542,392	-	-1,915,322	-	-81,457,714	42,727,477
-161,306,887	-	-25,122,030	-	-186,428,917	328,236,454
-79,751,599	-	-2,509,631	-	-82,261,230	36,439,893
-	-	-	-	-	55,588,430
-8,849,163	-	-2,101,220	-	-10,950,383	14,350,999
-1,349,412	-	-1,415,958	-	-2,765,370	5,447,884
-330,799,454	-	-33,064,161	-	-363,863,614	482,791,137
-	-	-	-	-	741,600
-	-	-	-	-	22,161,304
-	-	-	-	-	1,232,325
-1,980,908	-	-160,538	-	-2,141,446	39,110

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Supplementary Information

2012/2013	Opening Balance	Additions	Other changes or movements	Disposals/Transfers	Impairment	Closing Balance
Buildings	45,234,399	-		-591,600	-1,915,322	42,727,477
Infrastructure	349,934,477	3,424,007			-25,122,030	328,236,454
Community Assets	37,228,909	1,870,616		-150,000	-2,509,631	36,439,893
Assets under Construction	22,636,707	36,375,730		-3,424,007	-	55,588,430
Other Assets	10,289,655	6,162,563			-2,101,220	14,350,999
Motor Vehicles	4,322,278	2,541,564			-1,415,958	5,447,884
	469,646,425	50,374,480	-	-4,165,607	-33,064,161	482,791,137

2011/2012	Opening Balance	Correction of error	Additions	Other changes or movements	Disposals/Transfers	Impairment	Closing Balance
Buildings	49,523,409	-2,783,200	396,310			-1,902,120	45,234,399
Infrastructure	283,513,544	-49,500	17,817,931			-31,017,810	270,264,165
Community Assets	27,239,353	79,620,831	9,633,935			-2,101,378	114,392,741
Assets under Construction	17,260,834	2,457,000	29,286,338		(28,557,890)	-	20,446,282
Other Assets	7,855,403	-1,062,730	5,903,504	1,170,195	(235,066)	-3,146,649	10,484,657
Motor Vehicles	2,269,928	4,647,425	4,164,311	-	(15,950)	-2,046,511	9,019,203

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Supplementary Information

ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2012

2012	COST/REVALUATION						
	Opening Balance	Additions	Under Construction	Assets fair valued	Assets Donated	Disposals	Closing Balance
Bu dings	127,361,950	198,000				-	127,559,950
Infrastructure	713,047,792	18,016,242	-				731,064,034
Heritage Assets	1,226,325						1,226,325
Commun ty Assets	104,889,573	9,633,935	-				114,523,508
Assets under Construction	17,260,834	31,217,628				-28,672,157	19,806,305
Other Assets	19,901,721	10,043,200				-5,084,912	24,860,008
	983,688,195	69,109,004	-	-	-	-5,084,912	1,019,040,131

ACCUMULATED DEPRECIATION					
Restated Opening Balance	Additions	Disposals	Impairment	Closing Balance	Carrying Value
-77,640,272	-	-	-1,902,120	-79,542,392	48,017,558
-419,162,709	-	-	-31,778,446	-450,941,155	280,122,880
-	-	-	-	-	1,226,325
-77,650,221	-	-	-2,101,378	-79,751,599	34,771,909
-	-	-	-	-	19,806,305
-9,830,950	-	4,833,899.10	-5,201,524	-10,198,575	14,661,433
-584,284,152	-	4,833,899	-40,983,468	-620,433,721	398,606,410

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, 56 OF 2003

Name of Grants	Name of organ of state or municipal entity	Unspent portion 2011/2012 financial statements	Quarterly Receipts				Total Receipts
			July to Sept	Oct to Dec	Jan to Mar	April to June	
			1	2	3	4	
Equitable Share	National Treasury		20,199,000	16,159,000	12,199,000		48,557,000
MIG	DPLG		19,320,000				19,320,000
FMG	National Treasury		1,500,000				1,500,000
MSIG	LGTA		800,000				800,000
SPORTS AND RECREATION	Cooperative Gv and Traditional Affairs			150000			150,000
LED GRANT	LGTA						
HOUSING	Department Of Housing	1,167,378	226,251	6,837,006	1,537,953	1,299,755	11,068,344
ARTS AND CULTURE	Department of Arts and Culture	67830		581000	96000		744,830
SMALL TOWNS REHABILITATION	Cooperative Gv and Traditional Affairs	2 948646					2,948,646
HORSESHOE HOUSING	Department Of Housing	1 273030	11937	10923	10773	10986	1,317,649
PEOPLES HOUSING	Department Of Housing	28879	72	72	72	73	29,168
EXPANDED PUBLIC WORKS PROGRAMME	Dept of public Works		400000	246000	300000		946,000
DP COMMUNITY PARTICIPATION	Cooperative Gv and Traditional Affairs			200000			200,000
MUNICIPAL EXCELLENCE AWARDS	DPLG				1 000000		1 000 000
		5 485762	42457260	24184001	15143799	1 310814	88581636

Quarterly Expenditure				Total Expenditure	Unspent portion 2012/2013 financial statements	Grants and Subsidies delayed / withheld	Reason for delay withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
July to Sept	Oct to Dec	Jan to Mar	April to June						
1	2	3	4						
(20,199,000.00)	(16,159,000.00)	(12,199,000.00)		(48,557,000.00)		NO	N/A	YES	N/A
(3,266,923.48)	(7,324,399.78)	(2,753,593.20)	(5,972,537.82)	(19,317,454.28)	2,546	NO	N/A	YES	N/A
(311,232.84)	(332,312.49)	(107,499.85)	(748,954.82)	(1,500,000.00)		NO	N/A	YES	N/A
	(598,636.90)	(117,024.01)	(84,339.09)	(800,000.00)		NO	N/A	YES	N/A
(29,797.72)	(30,000.24)	(79,863.53)	(7,240.00)	(146,901.49)	3,099	NO	N/A	YES	N/A
						NO	N/A	YES	N/A
	(226,251.00)	(6,837,005.74)	(2,080,001.06)	(9,143,257.80)	1,925,086	NO	N/A	YES	N/A
(194,069.10)	(173,015.49)	(189,458.54)	(188,286.86)	(744,829.99)		NO	N/A	YES	N/A
(542,401.99)	(1,252,644.73)	(1,200,737.15)	47,138.04	(2,948,645.83)		NO	N/A	YES	N/A
			(118,048.52)	(118,048.52)	1,199,600	NO	N/A	YES	N/A
			(2,742.61)	(2,742.61)	26,425	NO	N/A	YES	N/A
	(284,967.41)	(353,279.89)	(307,752.70)	(946,000.00)		NO	N/A	YES	N/A
	(55,627.50)	(8,610.00)	(50,090.32)	(114,327.82)	85,672	NO	N/A	YES	N/A
			(1 000 000.00)	(1 000 000.00)					
(24543425)	(26436856)	(23846072)	(10512856)	(85339208)	3 242428				

Acronyms/Abbreviations

AC	-	Audit Committee	LED	-	Local Economic Development
AFSs	-	Annual Financial Statements	LF	-	Local Labour Forum
AG	-	Auditor General	LUMS	-	Land Use Management System
CBO	-	Community Based Organisations	M&E	-	Monitoring and Evaluation
CDW	-	Community Development Worker	MDB	-	Municipal Demarcation Board
CFO	-	Chief Financial Officer	MDGs	-	Millennium Development Goals
CIDB	-	Construction Industry Development Board	MEC	-	Member of Executive Council
CoGTA	-	Department of Cooperative Governance and Traditional Affairs	MoA	-	Memorandum of Agreement
COID	-	Compensation for Occupational Injuries and Diseases	MoU	-	Memorandum of Understanding
CRR	-	Capital Replacement Reserve	MFMA	-	Municipal Finance Management Act
DBSA	-	Development Bank of Southern Africa	MIG	-	Municipal Infrastructure Grant (previously CMIP)
DCF	-	District Communicator's Forum	MOA	-	Memorandum of Agreement
DEDT	-	Department of Economic Development and Tourism	MPRA	-	Municipal Property Rates Act
DMA	-	Disaster Management Act	MSA	-	Municipal Systems Act
DLGTA	-	Department of Local Government and Traditional Affairs	MSIG	-	Municipal Systems Improvement Grant
DoE	-	Department of Energy	MTAS	-	Municipal Turnaround Strategy
DPLG	-	Department of Provincial and Local Government	NCOP	-	National Council of Provinces
DPSA	-	Department of Public Service and Administration	NGO	-	Non-governmental Organisation
DTI	-	Department of Trade and Industry	NSDP	-	National Spatial Development Perspective
EC RTI	-	Eastern Cape Road Traffic Inspectorate	OHS	-	Occupational Health and Safety
EDMS	-	Electronic Document Management System	OPMS	-	Occupational Performance Management System
EXCO	-	Executive Committee	PAC	-	Provincial Audit Committee
FBS	-	Free Basic Services	PDA	-	Planning and Development Act
FET	-	Further Education and Training	PCF	-	Premier's Coordination Forum
FMG	-	Finance Management Grant	PGDSs	-	Provincial Growth and Development Strategies
GIS	-	Geographic Information Systems	PMS	-	Performance Management System
GKM	-	Greater Kokstad Municipality	PMU	-	Project Management Unit
GRAP	-	Generally Recognised Accounting Practice	SABS	-	South African Bureau of Standards
GVR	-	General Valuation Roll	SA GAAP	-	South African Statements of Generally Accepted Accounting Practice
HRD	-	Human Resources Development	SALGA	-	South African Local Government Association
HRIS	-	Human Resource	SAPF	-	South African Police Forum
IAS	-	International Accounting Standards	SCAP	-	Special Case Area Plan for the Drakensberg
ICT	-	Information Communications Technology	SCM	-	Supply Chain Management
IDP	-	Integrated Development Plan	SDBIP	-	Service Delivery and Budget Implementation Plan
IDT	-	Independent Development Trust	SDF	-	Spatial Development Framework
IGR	-	Intergovernmental Relations	SEDA	-	Staff and Educational Development Association
IMFO	-	Institute of Municipal Finance Officers	SITA	-	State Information Technology Agency
IPMS	-	Individual Performance Management System	SLAs	-	Service Level Agreements
IPSAS	-	International Public Sector Accounting Standards	SMME	-	Small, Medium and Micro Enterprises
KZN	-	KwaZulu-Natal	STATSA	-	Statistics South Africa
KPA	-	Key Performance Area	SVR	-	Supplementary Valuation Roll
KPI	-	Key Performance Indicators	TB	-	Tuberculosis
LCF	-	Local Communicator's Forum	TEF	-	(Eskom)
			UDP	-	uKhahlamba Drakensberg Park
			WSP	-	Workplace Skills Plan

Chapter 6

Draft
Annual
Report



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Introduction.....
Office of the Municipal Manager.....
Financial Services department.....
Infrastructure, Planning and Development...
Community Development Services.....
Corporate Services.....
Assessment of External Service Provider....

1. INTRODUCTION

The Greater Kokstad Municipality is, in accordance with the legislative requirements of the Local Government: Municipal Systems Act, (Act No. 32 of 2000) and the Municipal Finance Management Act (Act No. 56 of 2003), required to report on the performance of the Municipality. The most important documents tabled by the Municipality are the Integrated Development Plan (IDP), the Budget and the annual report. The IDP and Budget set out what the Municipality intends to do and how the funds will be spent during a financial year, while the annual report reflects on actual performance and implementation of the IDP and Budget during that year.

The annual performance report is a key performance report that is required in terms of section 46 of the Municipal Systems Act 32 of 2000. This report will form part of the 2012/13 Annual Report that is required in terms of section 121(3) of the Municipal Finance Management Act (Act No. 56 of 2003) and National Treasury MFMA Circular No. 11. The format suggested by Department of Co-operative Governance and Traditional Affairs has been used in compiling the report. The report aims to address the issues raised by the Audit-General with regards to performance reporting during the 2011/12 financial year.

Section 46 of the Municipal Systems Act states that:

- (1) A municipality must prepare for each financial year an annual report consisting of –*
 - (a) a performance report reflecting –*
 - (i) the municipality's, and any service provider's, performance during that financial year, also in comparison with targets of and with performance in the previous financial year;*
 - (ii) the development and service delivery priorities and the performance targets set by the municipality for the following financial year; and*
 - (iii) measures that were or are to be taken to improve performance;*
 - (b) the financial statements for that financial year prepared in accordance with the standards of generally recognised accounting practice referred to in section 89 of the Public Finance Management Act, 1999 (Act No. 1 of 1999);*
 - (c) an audit report on the financial statements and the report on the audit performed in terms of section 45(b); and*
 - (d) any other reporting requirements in terms of other applicable legislation.*
- (2) A municipality must table its annual report within one month of receiving the audit report referred to in subsection (1)(c).*

As per the SDBIP the annual performance report is divided into 22 programmes that are spread out the five municipal departments. The office of the MM has programme 1 to 9, programme 10 to 14 is under the Financial Services department, programme 15 -18 is under the Infrastructure ,planning and development department while programme 19 and 20 are under the Social Development Services department. The Corporate services department has programmes 21 to 22.

2. LEGISLATION

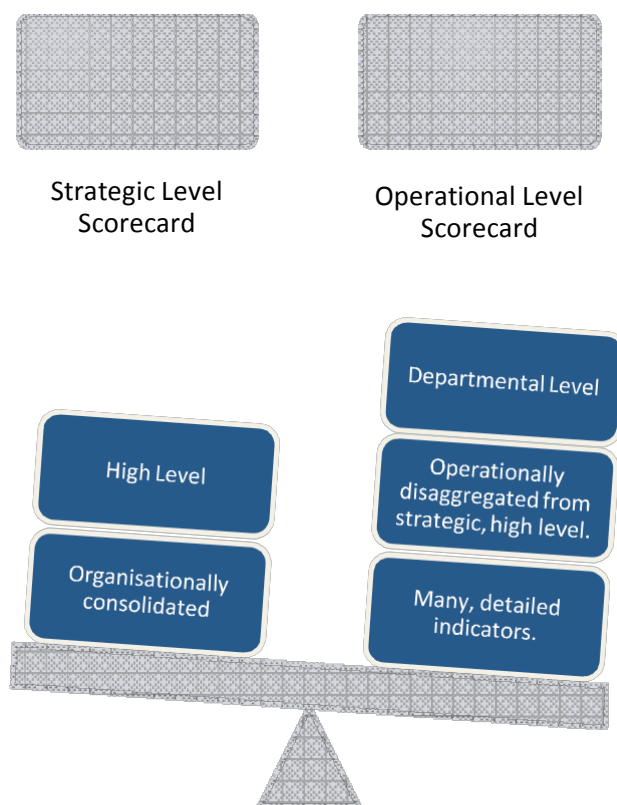
Greater Kokstad Municipality (GKM) initiated a process of institutionalising a performance management system (PMS) in 2007, which has developed iteratively over the years. The municipal PMS Policy with Systems and Procedures has been reviewed during the 2012/13 financial year the reviewed policy was adopted by council on the 27th of June 2013. The Annual performance report has been prepared in line with the Greater kokstad Municipality' Performance Management Framework which is aligned to the Performance Management Made Simple: Local Government handbook.

Below, is a diagrammatic illustration of the components of the GKM's Organisational Performance Management System:



- The IDP is the five year strategic plan for the municipality and the plan includes a 5-year strategic level municipal scorecard, and a organisational 1-year strategic scorecard as annexure to it. The IDP is the Planning of the OPMS.
- Flowing from the IDP the annual budget and annual operational plan which is the SDBIP and comprises the Departmental Operational Scorecards: which comprise of annual and quarterly performance targets and projected budget per source.
- From the SDBIP/Departmental scorecards the Performance Agreements of Departmental Heads are compiled and the performance management system if escalated downwards continues to cascade from the Head of Departments Performance Agreement and departmental scorecard.

Key to the OPMS is that there are essentially two levels of scorecards:



IDP Indicator No.	National KPA	Strategic Objective	Key Performance Indicators	(Unit of Measure)	Baseline 2011/12		IDP2012/2013								Annual performance report 2012/13		Reasons for variance (planned measure for improvement)		
							Q1 & Q2 Performance				Q3 & Q4 performance								
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual			
2012-17 IDP PG 125	Municipal Transformation and Institutional Development	To improve Skills capacity for the municipality to render effective services	number of people from employment equity target groups employed in the three highest levels of management in compliance with the EEP	Number of black staff at	5	5	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13	11	13	11	Some managers that were employed resigned/employ new managers in the identified positions)
					June 2012	June 2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	June 2013	June 2013	June 2013	June 2013	
					0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	
2012-17 IDP PG 125	Municipal Transformation and Institutional Development	The percentage of the municipality's Budget spent on the WSP	Annual Approved Workplace Skills Plan	Date	June 2012	June 2012	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	June 2013	June 2013	June 2013	June 2013	
2012-17 IDP PG 125			The percentage of the municipality's Budget spent on the WSP	Percentage Spent	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3			

Basic Service Delivery	Households with access to electricity	Number of Households	14 321	11 457	15 443	15 443	15 443	15 443	15 443	15 443	15 443
	Households with access to waste disposal services	Number of Households	9 144	9 144	9 144	9 144	9 144	9 144	9 324	9 144	9 144
	Households with access to free electricity	Number of Households	3030	3030	3920	3920	3920	3920	3920	3920	3920
	the percentage of households earning less than R1100 per month with access to free basic services;	Percentage of households	16	16	20	20	20	20	20	20	20
	the percentage of a municipality's capital budget actually spent on capital projects	Percentage	100%	100%	100%	100%	100%	100%	100%	100%	100%

Local Economic Development	To establish economic growth and development in all economic sectors with particular focus on agriculture, tourism & manufacturing	Jobs created through the municipality's LED initiatives and capital projects	Number of jobs	100	150	20	42	36	30	64	35	79	22	199	129	Some of the capital projects were delayed and behind schedule (to fast track the affected capital projects)
Financial Viability and Financial Management	To ensure that the organisations finances are managed sustainably	Financial viability in terms of debt coverage	Ratio: Total operating revenue received minus operating grants divided by debt service payments	1.1	1.1	1.1	6:1	1.1	5.1	1.1	5.1	1.1	8:1	1.1	127	
2012-17 IDP PG 127		Financial viability in terms of cost coverage	Ratio: Available cash plus investment divided by monthly fixed operating expenditure	1.1	1.1	1.1	1:1	1.1	1:1	1.1	1:1	1.1	1:1	1.1	1.85	
2012-17 IDP PG 123																

2012-17 IDP PG 127			Financial viability in terms of outstanding service debtors to revenue	Ratio: Outstanding g service debtors divided by annual revenue actually received for services	1.1	1.1	1.1	1:2	1.1	1:2	1.1	1:2	1.1	1:2	1.1	0.27:1
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1. Strategic Planning, Development and Intergovernmental Relations

Purpose is to provide strategic planning, development and intergovernmental relations:

- The facilitation of the annual Integrated Development Planning strategic planning process.
- The development of appropriate strategies to address the municipal KPA's.
- The development and implementation of an organisational performance management system.
- Monitoring and evaluation of the implementation of municipal programmes, policies and projects.

2. Support to Political Office Bearers

Purpose is to provide support services to the executive and political officer bearers:

- The provision of support services to political office bearers.
- The provision and promotion of community participation services.

3. Youth

Purpose is to render youth, sports and recreation programmes:

- The management and co-ordination of activities related to youth.
- The identification, support and co-ordination of sporting activities within the Municipality.

4. Special Programmes

Purpose is to render special programmes:

- The management and co-ordination of activities related to children, disabled, aged, HIV/Aids, gender, women and other projects.
- The identification, support and co-ordination of activities related to the above groups within the Municipality.

5. Internal Audit and Risk Management

Purpose is to provide internal audit and risk management services:

- The rendering of regulatory and IT audits.
- The execution of special audits and investigations.
- The rendering of comprehensive or compliance financial, operations, performance and fraud-risk review audits.
- The reporting of audit results.

6. Local Economic Development, Poverty Alleviation and Tourism

Purpose is to promote local economic development and poverty alleviation initiatives:

- The implementation, monitoring and evaluation of municipal LED strategy and projects.

- The implementation of municipal poverty alleviation strategy and projects.
- The promotion and support of SMME's.
- The provision of tourism development services.
- The provision of informal traders administration services.

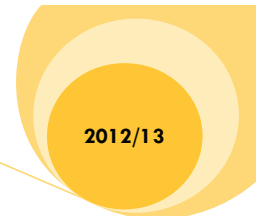
PROGRAMME ONE: STRATEGIC PLANNING / OPMS / IDP																	
REFERENCE TO IDP & BSC	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						Annual Target		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP Pg1 26	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	1.1 – 2011 – 2012 OPMS Reviews and Reporting	4 quarterly OPMS reports	Quarterly Reports Presented to EXCO / Council Meeting	4 Reports Presented to EXCO	4 Reports Presented to EXCO	1 Report Presented	1 Report Presented	1 Report Presented	1 Report Presented	1 Report Presented	1 Report Presented	1 Report Presented	1 Report Presented		
				2010/11 S-57 Performance report	S-57 Performance Reports Presented to EXCO / Council /AC Meeting	2 S-57 performance report presented	2 S-57 performance report presented	1 S-57 Performance Reports Presented	1 S-57 Performance Reports Presented	1 S-57 Performance Reports Presented	1 S-57 Performance Reports Presented	1 S-57 Performance Reports Presented	1 S-57 Performance Reports Presented	1 S-57 Performance Reports Presented	Due to Non availability of Sec 56 managers / panel members etc	To notify the S56/57 managers earlier and send reminders	
				2010/11 Annual Report	2011-2012 Annual Report Presented to Council for Adoption by date	11-12 AR submitted to Council by 31-08-12	11-12 AR submitted to Council by 31-08-12	Draft Annual Report presented to Committees	Draft Annual Report presented to the AG	Draft Annual Report presented to Council	Draft Annual Report presented to Council	Draft Annual Report presented to Council	Council adopted AR Posted on Municipal Website	AR adopted by council and posted on Municipal Website			
				2010/11 APR Adopted by Council on 31/08/11	Presentation of Annual Performance Report to Council for Adoption by date	APR presented to Council by 31 Aug 2012	APR presented to Council by 31 Aug 2012	Draft APR submitted to AC by 15-08-12	Council adopted APR (posted on Municipal Website/Public Notices/ Municipal Boards & Media)	APR adopted by Council	N/A	N/A	N/A	N/A	N/A		

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2012-17 IDP PG126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	1.5	ISDP	New Project	Completed status quo report by date	Submission of Draft IDP to Council for adoption by date	Adopted 2013/14 IDP by 31 May 2013	N/A	N/A	One IDP Rep Forum Held	One IDP rep Forum Draft 13/14 IDP completed and submitted to CoGTA	One IDP rep Forum Draft 13/14 IDP completed and submitted to CoGTA	Adopted 2013/14 IDP by 31 May 2013	Adopted 2013/14 IDP by 31 May 2013	Due to budgetary constraints	Engage the Service provider ITO payments
2012-17 IDP PG122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	1.6	SMALL TOWN REHABILITATION	New project	Number of Phase 1 STRP projects completed by date	5 Phase 1 STRP projects completed by 30 June 2013	4 phase 1 STRP projects completed	Site establishment Projects Commence	Site establishment Projects	Project Reports (Incl. Expenditure)	Project Reports completed (incl. expenditure)	Project Reports (Incl. Expenditure)	Project reports completed (incl. expenditure)	Project reports complete (incl. expenditure)	Due to budgetary constraints	Engage the Service provider ITO payments
2012-17 IDP PG126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	1.5	ISDP	New Project	Completed status quo report by date	Submission of Draft IDP to Council for adoption by date	Adopted 2013/14 IDP by 31 May 2013	N/A	N/A	One IDP Rep Forum Held	One IDP rep Forum Draft 13/14 IDP completed and submitted to CoGTA	One IDP rep Forum Draft 13/14 IDP completed and submitted to CoGTA	Adopted 2013/14 IDP by 31 May 2013	Adopted 2013/14 IDP by 31 May 2013	Due to budgetary constraints	Engage the Service provider ITO payments
2012-17 IDP PG122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	1.6	SMALL TOWN REHABILITATION	New project	Number of Phase 1 STRP projects completed by date	5 Phase 1 STRP projects completed by 30 June 2013	4 phase 1 STRP projects completed	Site establishment Projects Commence	Site establishment Projects	Project Reports (Incl. Expenditure)	Project Reports completed (incl. expenditure)	Project Reports (Incl. Expenditure)	Project reports completed (incl. expenditure)	Project reports complete (incl. expenditure)	Due to budgetary constraints	Engage the Service provider ITO payments

2012-17 IDP PG126	Institutional Development & Transformation & Good Governance	To develop a strong institution to support consultative and participatory local governance	1.7 STRATEGIC PLANNING SESSIONS	The target for the 2011/12 FY was three but three additional special Strat. Plan Sessions were held	Number of strategic planning sessions held by date	4 STRATEGIC PLANNING SESSIONS FOR THE 2012/13 FY by 30 June 2013	4 strategic planning sessions held	1 (Special Council Strat. plan held for the 1st Quarter)	1 session held	0	0	2 sessions held	2 Sessions held	1 session held	1 session held
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PROGRAMME TWO: COUNCIL SUPPORT AND PUBLIC PARTICIPATION													
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER							
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual
2012-17 IDP Pg126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	2.1 CAPACITY BUILDING FOR WARD COMMITTEES	Two formal training sessions held for the 2011/12 FY	Number of ward committee training sessions held by date	2 Ward training session	2 Ward training session	1 Ward training session	1 Ward training Session Held	Appointm ent of Service Provider	Service Provider appointed	Appointm ent of Service Provider	Service Provider Appointed
						32 Ward committee meetings held	32 Ward committee meetings held	8 ward committee meetings held	8 Committee Meetings held	8 ward committee meetings held	8 Committee Meetings held	1 Ward training session	1 ward training Session Held
2012-17 IDP Pg126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	2.2 WARD COMMITTEE FUNCTIONING	32 ward committee meetings held for the 2011/12 FY	Number of Ward Committee meetings held by date	4 Ward Committee Activity Reports	4 Ward Committee Activity Reports	1 Ward Committee Activity Reports	1 ward committee activity report completed	1 Ward Committee Activity Reports	1 ward committee activity report completed	1 Ward Committee Activity Reports	1 ward committee activity report completed
						32 Ward committee meetings held	32 Ward committee meetings held	8 ward committee meetings held	8 Committee Meetings held	8 ward committee meetings held	8 Committee Meetings held	8 ward committee meetings held	8 Committee Meetings held

2012-17 IDP Pg126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	2.3 COMMUNITY OUTREACH MEETING S, CAMP AINGS, IMBIZO	32 Community meeting for the 2011/12 FY	Number of community meetings held	32 Community meetings held in the 2012/13 FY	38 Community meetings held in the 2012/13 FY	8 Community meetings held in the 1 st Quarter	8 Community meetings held in the 2 nd Quarter	8 Community meetings held in the 3 rd Quarter	14 Community meetings held in the 4 th Quarter	8 Community meetings held in the 4 th Quarter	8 Community meetings held in the 4 th Quarter
2012-17 IDP Pg126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	2.4 COMMUNITY CAMPAIGNS	2 campaigns held THE 2011/12 FY	Number of community campaigns held by date	4 campaigns held for the 2012/13 FY by 30 June 2013	4 campaigns held for the 2012/13 FY by 30 June 2013	1 Community campaigns held in the 1 st Quarter	1 Community campaigns held in the 2 nd Quarter	1 Community campaigns held in the 3 rd Quarter	1 Community campaigns held in the 4 th Quarter	1 Community campaigns held in the 4 th Quarter	1 Community campaigns held in the 4 th Quarter
2012-17 IDP Pg126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	2.5 STAKEHOLDERS FORUM MEETING S	8 stakeholder forum meeting held FOR THE 2011/12 FY	Number of stakeholder forum meetings held by date	8 Stakeholders Forum Meeting Held in the 2012/13 FY by 30 June 2013	8 Stakeholders Forum Meeting Held in the 2012/13 FY by 30 June 2013	2 Stakeholders Forum Meeting Held in the 1 st Quarter	2 Stakeholders Forum Meeting Held in the 2 nd Quarter	2 Stakeholders Forum Meeting Held in the 3 rd Quarter	2 Stakeholders Forum Meeting Held in the 4 th Quarter	2 Stakeholders Forum Meeting Held in the 4 th Quarter	2 Stakeholders Forum Meeting Held in the 4 th Quarter

PROGRAMME THREE: COMMUNICATIONS AND CORPORATE BRANDING																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	ANNUAL TARGET		PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER								Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP PG126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	3.1 MUNICIPAL NEWSLETTER	Number of newsletters produced	Number of Newsletter Edition published per Quarter by date	4 Newsletter Edition published per Quarter by 30 June 2013	4 Newsletter editions published by 10 July 13	1 Newsletter Edition per Quarter	1 Newsletter Edition per Quarter	1 Newsletter Edition for Q2	1 Newsletter Edition per Quarter	1 Newsletter edited for Q3	1 Newsletter Edition per Quarter	Q4 newsletter to be printed by 12 July 2013	Revised submission dates as per the AO	To revise dates accordingly	
2012-17 IDP PG126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	3.2 MUNICIPAL WEBSITE	No. of documents posted	Website revamp completed by date	Revamped Website by Dec 12	Website revamped on the 28 th Feb 2013	Appointment of Service Provider	Service provider appointed	Project Complete	Project not complete	N/A	Website revamped on the 28 th Feb 2013	N/A	The website officially revamped in February 2013 due to delayed services providers presentation	Project completed and ongoing monitoring	

2012-17 IDP PG126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	3.3 CORPORATE IMAGE	Number of calendars by 31 Nov 2012 Number of diaries by 31 Nov 2012	% up to date of website content	100% up to date website content by 30 June 2013	90% up to date website content	N/A	N/A	N/A	N/A	100% up to date website content	100% up to date website content	100% up to date website content	100% up to date website content	90% up to date website content	Non-submissions of documents by some departments	Training will be conducted to ITC and 2 SCM officials on the loading of documents onto the GKM website 01 July 2013
2012-17 IDP PG126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	3.4 MEDIA LIAISON	4 media briefings held	No of media statements issued	12 Media statements issued	12 Media statements issued	3 Media statements issued	3 Media statements issued	3 Media statements issued	3 Media statements issued	3 Media statements issued	3 Media statements issued	3 Media statements issued	3 Media statements issued	3 Media statements issued	Due to financial constraints	Review target for the 13-14 financial year
2012-17 IDP PG126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance			No of Briefing sessions held	4 briefing sessions Held	4 briefing sessions Held	1 briefing session Held	1 briefing session Held	1 briefing session Held	1 briefing session Held	1 briefing session Held	1 briefing session Held	1 briefing session Held	1 briefing session Held	1 briefing session Held		

PROGRAMME FOUR: INTERNAL AUDIT AND RISK MANAGEMENT																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP PG127	Institutional Development & Transformation	To ensure that the organizations finances are managed sustainably	4.1 RISK ASSESSMENT	2011 Annual risk assessment complete. zero meetings were held	Number of Risk assessment done by date	1 Risk assessment done by 30 June 2013	1 Risk assessment done in June	N/A	N/A	N/A	N/A	N/A	1 Risk Assessment done by June 2013	1 Risk assessment done in June			
						4 risk committee meetings held by 30 June 2013	1 st Q meeting held	2 nd Q meeting held	3 rd Q meeting held	4 th Q meeting held	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC			1 Risk Report submitted to MANCO & AC
2012-17 IDP PG127	Institutional	To ensure that the organizations finances are managed sustainably	4.2 AUDIT COMMITTEE	Audit Committee meets quarterly	Number of Audit Committee meetings held by date	4 Audit Committee meetings held by 30 June 2013	1 st Q meeting held	2 nd Q meeting held	three 2 nd Q meetings held	3 rd Q meeting held	One 3 rd Q meeting held	Two 4 th Q meetings held	Two 4 th Q meetings held	Two 4 th Q meetings held			
						4 Risk Reports submitted to MANCO & AC by 30 June 2013	4 Risk reports submitted to MANCO & AC by 30-06-13	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC	1 Risk Report submitted to MANCO & AC			1 Risk Report submitted to MANCO & AC

Y			% of AC queries resolved by date	100% of AC queries resolved by 30 June 2013	90% of AC queries resolved	100% of AC queries resolved	80% of AC queries resolved	100% of AC queries resolved	80% of AC queries resolved	100% of AC queries resolved	80% of AC queries resolved	100% of AC queries resolved	90% of AC queries resolved	Some queries are with regards legislative requirements	Queries to be resolved in the 13-14 FY
2012-17 IDP Pg127	Institutional Development & Transformation	To ensure that the organizations finances are managed sustainably	4.3 INTERNAL AUDIT	The municipality has a functional financial audit and internal audit	No of internal audit reports submitted to AC by date	4 internal audit reports submitted to AC by 30 June 2013	1 st Q IA reports submitted to AC	2 nd Q IA reports submitted to AC	2 nd Q IA reports submitted to AC	3 rd Q IA reports submitted to AC	3 rd Q IA reports submitted to AC	4 th Q IA reports submitted to AC	4 th Q IA reports submitted to AC		
				Audit report on PMS submitted quarterly	No of performance audit reports submitted to AC by date	4 performance audit reports submitted to AC by 30 June 2013	1 st Q PR reports submitted to AC	2 nd Q PR reports submitted to AC	2 nd Q PR reports submitted to AC	3 rd Q PR reports submitted to AC	3 rd Q PR reports submitted to AC	4 th Q PR reports submitted to AC	4 th Q PR reports submitted to AC		

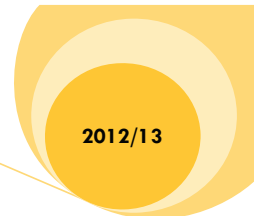
PROGRAMME FIVE: LEGAL SERVICES																		
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement	
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)				
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual			
						12 reports tabled to council by 30 June 2013	12 reports tabled to council by 30 June 2013	3 Report tabled	3 Report tabled	3 Report tabled	3 Report tabled	3 Report tabled	3 Report tabled	3 Report tabled				
hnhhng PG	Institutional Development & Transformation	To ensure a maximisation of the municipality's resources in a sustainable manner	5.1 LEGAL SERVICES	Legal requirements done annually	Number of reports tabled to council by date													

PROGRAMME SIX: YOUTH ARTS CULTURE AND RECREATION													
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER							
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual
						5 Sport codes participating in SALGA Games by 31 December 2012	5 sport codes participating in KZN provincial SALGA Games	5 sport codes to participate in KZN provincial SALGA Games	5 Sport codes participated in KZN provincial SALGA Games	SALGA Games local Selection	SALGA Games Local selections done	SALGA Games District Selection completed	SALGA Games District Selection completed
2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment	6.1 SALGA GAMES	GKM Annual Participation in KZN SALGA Games	Number of Sport codes participating in SALGA Games by date	5 sport codes participated in Mayoral Games by May 2013	N/A	N/A	N/A	N/A	Stakeholder Consultations	5 Sporting Codes participating in the Mayoral Games	
2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment	6.2 MAYORAL GAMES	GKM Annually host Mayoral Games	Number of sport codes to participate in Mayoral Games by date	Mayoral Golf Day to be held in November 2012	Stakeholder Meetings	Mayoral Golf day – November 2012	Mayoral Golf day held in Nov 2012	N/A	N/A	N/A	
2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment	6.3 GOLF DAY	New Project	Mayoral Golf Day to be held by date		Stakeholder Meetings	Mayoral Golf day – November 2012	Mayoral Golf day held in Nov 2012	N/A	N/A	N/A	

2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment	6.4 SPORTS SUPPORT PROGRAM	GKM Annual provide funding support to GKM Federations	Number of GKM Sports Federations Provided with Funding Support by date	3 GKM Sports Federations Provided with Funding Support by 31 Dec 2012	3 Sport federation supported with funding	Evaluating funding proposal submitted and, Reporting to the council for approval of funding	Submitted funding proposal evaluated and reported to Council for approval of funding	Funding support to 3 sport federation	3 Sport federation supported with funding	N/A	N/A	N/A	N/A		
2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment	6.5 YOUTH EMPOWERMENT	New Project	Number of GKM Youth Empowerment Programmes Implemented by date	36 GKM Youth trained in fire fighting (16) and Music Skills Programme (20) by 30 June 2013	22 GKM Youth Trained on Fire fighting done and 24 youth trained in Music skills programme not done	N/A	Sporting codes at School Sporting Codes	N/A	N/A	N/A	N/A	N/A	N/A	Sporting codes at schools supported	
2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment	6.6 YOUTH CO-OPERATIVES	GKM Annual Support Youth Cooperatives	Number of Youth cooperatives provided with material support	1 Youth cooperatives provided with material support by 30 June 2013	1 Youth cooperatives provided with material support	Inviting the youth cooperatives to submit proposals	Youth co-ops invited to submit proposals	Assessing proposals submitted for cooperative support	Submitted proposals assessed	1 Youth cooperatives provided with material support	1 youth cooperative not provided with material	N/A	1 Youth cooperatives provided with material support		
2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment															

2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment	6.7 BACK TO SCHOOL CAMPAIGN & CAREER EXHIBITION	GKM Annual Conduct Career Exhibition	Number of Career Exhibition to be attended by 5 GKM Senior Secondary School in partnership with Dept. of Education by date	1 Career Exhibition to be attended by 5 GKM Senior Secondary School in partnership with Dept of Education by 30 June 2013	1 Career Exhibition attended by 5 GKM Senior Secondary School in partnership with Dept of Education completed	N/A	N/A	N/A	Career Exhibition to be attended by 5 GKM Senior Secondary School in partnership with Dept of Education	Career Exhibition to not conducted	Conducting Career Exhibition to be attended by 5 GKM Senior Secondary School in partnership with Dept of Education	Conducting Career Exhibition attended by 5 GKM Senior Secondary School in partnership with Dept of Education completed		
				GKM Annual host Back to school mobilization	Number of road shows for Mobilizing the GKM children & Youth to go back to Schools by date	4 road shows for Mobilizing the GKM children & Youth to go back to Schools in January 2013	2 road shows held for mobilizing the GKM children & Youth	N/A	N/A	N/A	2 road shows in January 2013	2 road shows held in Jan 2013	N/A	N/A	Due to budgetary constraints only two events held	To review the target and compact the programmes
2012-17 IDP Pg 124	Local Economic Development	To promote and create a safe, healthy and secure environment	6.8 YOUTH DAY CELEBRATION & YOUTH SUMMIT	GKM Annually host Youth Indaba / Summit	Hosting of the Youth Summit by date	10 youth structures to attend Youth Summit by 30 June 2013	Youth Summit hosted and attended by 10 GKM structures	N/A	N/A	N/A	Preparation meetings with the GKM Youth Council	Preparation meetings held with the GKM youth council	Hosting Youth Summit attended by 10 GKM Youth Structures	Youth day celebration held	Due to budgetary constraints only one event was held	
						Youth Day Celebration Event held by 30 June 2013	Youth day celebration held by 30-06-13	N/A	N/A	N/A						

6.9 GKM CULTURAL DAY & CORAL MUSIC EVENT	GKM Annually host Cultural Day	Hosting of GKM Cultural and Choral Music by date	Hosting of GKM Cultural Day and Choral Music in September 2012	GKM Cultural Day and Choral Music hosted by September 2012	Planning the Hosting of GKM Cultural Day and Hosting of the GKM Cultural Day to be attended by 200 staff members	Planning for Cultural day done. Cultural day hosted and attended by 200 staff members	Choral Music Festival	Choral Music festival held	N/A	N/A	N/A	N/A	N/A
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PROGRAMME SEVEN SPECIAL PROGRAMMES																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP Pg 124	GOOD GOVERNANCE AND PUBLIC PARTICIPATION	To promote and create a safe ,healthy and secure environment	7.1 AGED	Elderly Forum established and successful hosting of 2011 elderly day .	Hosting of elderly Celebrations by date	Hosting of elderly Celebrations by the 26/10/12	Elderly day celebration hosted by Oct 2012	Convene plenary meeting Finalised Event logistics Plan	Plenary meeting convened Event logistics finalised	Elderly Day Celebration s Day (26 Oct 2012)	Elderly day celebration held by Oct 2012.	N/A	N/A	N/A	N/A		
					Re-launch of elderly forum by date	Elderly forum established and operating by 30 June 2013	Elderly forum established and operating by 30/06/13	N/A	N/A	N/A	N/A	Submission of Draft T.O.R.'s to Council for adoption	Draft TOR's submitted to Council for adoption	Re-launching of elderly forum	Forum was established only needed to be reviewed	Budget constraints	To re-launch in the next FY
					Number of skills development training conducted by date	1 skills development training conducted by 30 June 2013	0 Skills development training conducted by 30-06-13	N/A	N/A	N/A	N/A	N/A	N/A	1 Skills training Conducted	0 Skills training conducted	Budget constraints	No of people for Skills training to be reduced

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To promote and create a safe ,healthy and secure environment	GOOD GOVERNANCE AND PUBLIC PARTICIPATION											
	2012-17 IDP Pg 124											
7.3 WOMEN	Hosted and celebrated women in business and 2011 national Women's day	Hosting of national Women's day by date	Hosting of national Women's day by 31/08/12	National Women's day hosted by 31-08-12	Convene plenary meeting	Finalised Event logistics Plan	Women's day celebration held	Plenary meeting convened	N/A	N/A	N/A	N/A
	0 number of trainings	Establishment and launch of women's forum by date	Establishment and launch of women's forum by 30 June 2013	Women's Forum Launched by 30 June 2013	N/A	N/A	N/A	N/A	Draft T.O.R.'s	TOR's drafted and Submitted of Council	launching of women's forum	Women's Forum Launched
7.4 ORPHAN ED VULNER ABLE CHILDREN AND	Hosted and celebrated the 2011 for OVC's	Hosting of preschool sports day by date	GKM preschool sports day by 31 March 2013	GKM preschool sports day Hosted on 24 May 2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
		Number of Women co-ops supported by date	1 Women co-ops supported by 30 June 2013	0 women co-op supported	N/A	N/A	N/A	N/A	N/A	N/A	1Women co-ops supported	0 women co-op supported
		Submission of GKM Gender equity plan to MANCO	GKM Gender equity plan submitted to MANCO by 30/06/13	GKM Gender equity plan submitted to MANCO	N/A	N/A	N/A	N/A	N/A	GKM Gender equity plan submitted to MANCO	GKM Gender equity plan submitted to MANCO	GKM Gender equity plan submitted to MANCO
					N/A	N/A	N/A	N/A	N/A	Co-ops still in the registration processes	Co-ops in the registration processes	Assist the co-ops with registration
					N/A	N/A	N/A	N/A	N/A	Event aligned with "child-care week" which is in May	Event aligned with "child-care week" which is in May	Project completed

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PROGRAMME EIGHT: CUSTOMER CARE SERVICES																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP Pg126	GOOD GOVERNANCE & PUBLIC PARTICIPATION	To develop a strong institution to support consultative and participatory local governance	8.1 BATHO PELE	0 outreach programmes 0 departmental service charters	Number of Customer care champions trained on quality management by 30 June 2013	4	Customer care champion s trained on quality management 30-06-13	N/A	N/A	N/A	N/A	N/A	N/A	4	Customer care champions trained on quality management	4	Customer care champions trained on quality management
						1	Education al Outreach campaigns hosted by 30/06/2013	N/A	N/A	N/A	N/A	N/A	N/A	1	Education al Outreach campaigns hosted by 30/06/2013	1	Education al Outreach campaigns hosted by 30-06-2013
						2	departmental service charters developed by 30 June 2013	N/A	N/A	N/A	N/A	N/A	N/A	1	departmental service charters developed by 30 June 2013	1	departmental service charter developed

2012-17 IDP Pg126	GOOD GOVERNANCE & PUBLIC	To develop a strong institution to support consultative and participatory local governance	8.2 CUSTOMER CARE	Customer Care Management System is in place to log all consumer enquiries / complaints – Average turn-around time last year?	Number of municipal employees and councillors trained on customer care services by date	50 municipal employees and councillors trained on customer care services by 30 June 2013	30 Municipal employees and councillors trained on customer care services by 30-06-13	N/A	N/A	N/A	N/A	N/A	50 municipal employees and councillors trained on customer care services by 30 June 2013	30 Municipal employees and councillors trained on customer care services by 30-06-13	Limited participation by employees	Encourage employees to participate effectively.
					Turnaround time to resolve customer complaints	30 days Turnaround time by 30 June 2013	30 days Turnaround time by 30-06-13 achieved	30 days Turnaround time	27 days Turnaround time	30 days Turnaround time	23 days Turnaround time	30 days Turnaround time	21 days Turnaround time	30 days Turnaround time		

PROGRAMME NINE: LOCAL ECONOMIC DEVELOPMENT																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP Pg 123	Local Economic Development	To establish economic growth and development in all economic sectors with particular focus on agriculture ,tourism & manufacturing	9.1 BAKERY PROJECTS DEVELOPMENT	New Project	Number of Bakery Projects Developed by date	2 bakery projects established	N/A	N/A	N/A	N/A	N/A	N/A	2Bakery Projects Developed	2Bakery Projects established			
2012-17 IDP Pg 123		To establish economic growth and development in all economic sectors with particular focus on agriculture ,tourism & manufacturing	9.2 HAWKER STALLS	New Project	6 Hawker Stall constructed by30 June 2013	0 Hawker Stall constructed by30 June 2013	N/A	N/A	N/A	N/A	N/A	N/A	6 Hawker Stall constructed by30 June 2013	Not achieved due to budgetary constraints	To be rolled out in 2013/14 FY		

2012-17 IDP Pg 123 Local Economic Development	To establish economic growth and development in all economic sectors with particular focus on agriculture, tourism & manufacturing	9.3 FLEA MARKET	New project	Number of SMME's / Co-operatives participated in the Flee Market by date	10 SMME's / Co-operatives participated in the Flee Market by 30 June 2013	15 Co-operatives participated in the Flee Market By 30 June 2013	N/A	N/A	N/A	N/A	N/A	15 Co-operatives participated in the Flee Market By 30 June 2013	
2012-17 IDP Pg 123	To establish economic growth and development in all economic sectors with particular focus on agriculture, tourism & manufacturing	9.4 ANNUAL FISHING COMPETITION	New Projects	Number of Fishermen participated in Fishing Competition by date	50 Fishermen participated in Fishing Competition by 30 September 2012	60 Fishermen participated in Fishing Competition by 30 September 2012	50 Fishermen participated in Fishing Competition	60 Fishermen participated in Fishing Competition	N/A	N/A	N/A	60 Fishermen participated in Fishing Competition by 30 September 2012	
2012-17 IDP Pg 123 Local Economic Development	To establish economic growth and development in all economic sectors with particular focus on agriculture	9.5 TOURISM AWARENESS CAMPAIGN	New Project	Number of SMME's that attend Tourism Awareness Campaign by date	20 SMME's that attend the Tourism Awareness Campaign by 30 September 2012	50 SMME's that attend the Tourism Awareness Campaign by 30 September 2012	20 SMME's that attend the Tourism Awareness Campaign	50 SMME's that attend the Tourism Awareness Campaign	N/A	N/A	N/A	50 SMME's that attend the Tourism Awareness Campaign by 30 September 2012	

2012-17 IDP Pg 123	local economic development	To establish economic growth and development in all economic sectors with particular focus agriculture ,tourism & manufacturing	9.6	Co-operative registered	Number of SMME's benefited from campaign by date	6 SMME's benefited from campaign by 30 June 2013	N/A	N/A	N/A	N/A	N/A	N/A	6 Number of SMME's benefited from campaign	6 Number of SMME's benefited from campaign	To be rolled out in 2013/14 FY
						7 beneficiary by 30 June 2013	N/A	N/A	N/A	N/A	N/A	N/A	7 beneficiaries	0 beneficiaries by 30-06-13	Orders were issued for the project but no deliveries due to budgetary constraints
2012-17 IDP Pg 123	local economic development	To establish economic growth and development in all economic sectors with particular focus agriculture ,tourism & manufacturing	9.7	New Project	Number of Franchisors participated by date	20 Franchisors participated by 30 March 2013	N/A	N/A	N/A	N/A	20 Franchisors participated	20 Franchisors participated	N/A	N/A	
					Number of SMME's /Entrepreneurs participated by date	50 SMME's /Entrepreneurs participated by 30 March 2013	50 SMME's /Entrepreneurs participated	50 SMME's /Entrepreneurs participated							

2012-17 IDP Pg 124	To improve the quality of life of the people of GKM through providing them with sustainable community facilities	9.8 COMMUNITY GARDENS	New Project	Number of gardens prepared by date	10 gardens prepared by 31 March 2013	6 gardens prepared by 31 March 2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Limited viable garden projects to prepare	To engage more stakeholders
				Number of beneficiaries on one home, one garden by 31 March 2013	50 beneficiaries on one home, one garden by 31-03-13	2001 beneficiaries on one home, one garden by 31 March 2013	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
2012-17 IDP Pg 123	To establish economic growth and development in all economic sectors with particular focus agriculture, tourism & manufacturing	9.9 FENCING OF GRAZING LAND	Land identified	Number of meters fenced at Franklin by date	3000m fenced at Franklin by 30 June 2013	0m fenced at Franklin by 30-06-13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Budgetary constraints	Alternative funding sourced from Dept of Rural Development and Land Reform for 17.3 kms fencing at the following areas: Pakkies, Thuthukani and Ekuthuleni
				Number of jobs created	15 Jobs Created	0 Jobs created	N/A	N/A	N/A	N/A	N/A	15	Not achieved	Budgetary constraints	20 jobs to be created from DRDLR project
				Number of SMME's benefited by date	1 SMME's benefited by 30 June 2013	0m fenced at Franklin by 30-06-13	N/A	N/A	N/A	N/A	N/A	1 Number of SMME's benefited	Not achieved	Budgetary constraints	SMME to benefit from DRDLR project

2012-17 IDP Pg 123	local economic development	To establish economic growth and development in all economic sectors with particular focus agriculture tourism & manufacturing	9.10 POULTRY SKILLS TRAINING PROGRAMME	New Project	Number of candidates registered and placed in accredited skills training at KZN Poultry Institute by date	10 candidates registered and placed in accredited skills training at KZN Poultry Institute by 30 June 2013	20 candidates registered and placed in accredited skills training by 30-06-13	20 candidates registered and placed in accredited skills training by 30-06-13	10 more beneficiaries were trained by 30 June 2013	Alternative funding sourced from DEDT-KZN for training of 20 beneficiaries from 23-28 June 2013
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5. Financial Services

1. *Compliance, Budgeting and Reporting*

Purpose is to manage the municipal budgeting and reporting process:

- The provision of management accounting and financial compliance services.
- The management of the budgeting process.
- The management of municipal assets and liabilities.
- The provision of financial reporting services.

2. *Expenditure Management*

Purpose is to manage and control municipal expenditure:

- The development, implementation and management of procedures, systems and controls related to salaries and expenditure.
- The development, implementation and management of procedures, systems and controls related to the procurement of goods and services.

3. *Revenue Management*

Purpose is to collect, manage and control municipal revenue:

- The collection of revenue owed to the Municipality.
- The development, implementation and management of procedures, systems and controls related to credit control and debt collection.

PROGRAMME TEN: EXPENDITURE MANAGEMENT																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR OR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP Pg 127	Financial Viability and Financial	To ensure that the organisations finances are managed sustainably	10.1 CREDITORS & PAYMENTS ADMINISTRATION	Creditors; salaries and third party payments are made on a monthly basis (within 30 days after receipt of the invoice)	Turnaround time of payments from approved invoice till payment	Payment of invoice within 30 days from approved invoice	Payments were not done within 30 days	Within 30 days of receipt of approved invoice	Payment made Within 30 days of receipt of approved invoice	Within 30 days of receipt of approved invoice	Within 30 days of receipt of approved invoice	Payments done in more than 30 days	Within 30 days of receipt of approved invoice	Within 30 days of receipt of approved invoice	Not all payments were made within 30 days after receipts of the invoice.	Budget constraints	To relook at budgeting strategies
2012-17 IDP Pg 127	Financial Viability and Financial	To ensure that the organisations finances are managed sustainably	10.2 ANNUAL CASH FLOW PLAN	Cash flow statement/projections	Submission of monthly statement of cash flows and cash In- flows to Treasury by date	1Statement submitted to Treasury by 0 TH OF EVERY MONTH Annually	Cash Flow Statement submitted to Treasury by 10 TH OF EVERY MONTH	Statement submitted to Treasury by 10 TH OF EVERY MONTH	Statement submitted to Treasury by 10 TH OF EVERY MONTH	Statement submitted to Treasury by 10 TH OF EVERY MONTH	Statement submitted to Treasury by 10 TH OF EVERY MONTH	Statement submitted to Treasury by 10 TH OF EVERY MONTH	Statement submitted to Treasury by 10 TH OF EVERY MONTH	Statement submitted to Treasury by 10 TH OF EVERY MONTH	Statement submitted to Treasury by 10 TH OF EVERY MONTH		

			% Operational expenditure 100% or less of amount budgeted	100%	92%	100%	25%	100%	46%	79%	100%	92%	Cash flow constraints	To relook at budgeting strategies
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PROGRAMME ELEVEN: REVENUE MANAGEMENT

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2012-17 IDP Pg 127	Financial Viability and Financial Management	To enhance revenue base and ensure financial viability	11.2 INDIGEN T HOUSEH OLD SUBSIDI ZATION.	3030 people on the Indigen t	Number of qualifying households with access to free monthly basic services annually	3920 of qualifying households with access to free monthly basic services by 30 June 2013	3920 of qualifying households with access to free monthly basic services by 30 June 2013	3920 qualifyin g househol ds with access to free monthly basic services	3920 qualifying households have access to free monthly basic services	3920 qualifying households with access to free monthly basic services	3920 qualifying households have access to free monthly basic services	Non- payment by some debtors	Intensify collection strategies		
2012-17 IDP Pg 127	Financial Viability and Financial Management	To enhance revenue base and ensure financial viability	11.3 DEBT Collectio n	consu mers in arrears more than 30days are blocked of pre paid electrici ty card and cutting off electrici ty for credit meters	% Reduction of the debtors book by date	20% Reduction of the debtors book by 30 June 2013	22% Reducti on of the debtors book by 30 June 2013	5% Reductio n of the debtors book	5% Reductio n of the debtors book	10% Reduction of the debtors book	10% Reduction of the debtors book	15% Reductio n of the debtors book	10% Reduction of the debtors book	20% Reduction of the debtors book	22% Reduction of the debtors book

PROGRAMME TWELVE: SUPPLY CHAIN MANAGEMENT																
REFERENCE TO IDP & NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
					ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP PG 127	To ensure a maximization of the municipality's resources in a sustainable manner	12.1 ANNUAL PROCUREMENT PLAN	SCM Policy is in place and all BID Committees are functional plan was adopted in June 2011	Submission of 2012/2013 Procurement Plan to Council for adoption by date	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	Submission of 2012/2013 Procurement Plan to Council for adoption by 31-07-12	
2012-17 IDP PG 127	To ensure a maximization of the municipality's resources in a	12.2 Bid Committee System	SCM Policy implemented. Turnover time for awarding	Turnover time for the acquisition of goods& services	60 days Turnover time for the acquisition of goods& services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	60 days Turnover time for the acquisition of goods & services	

2012/13

PROGRAMME THIRTEEN: ASSET MANAGEMENT

PROGRAMME FOURTEEN: BUDGET, REPORTING AND COMPLIANCE

OBJECTIVES	DESCRIPTION	ANCI INDICATOR (KPI)	ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)	
			Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
To ensure a maximization of the municipality's resources in a sustainable manner	13.1 FIXED ASSET REGISTER	2011/2012 Fixed Asset Register that reconciles with the General Ledger.	12 FAR updates done in terms of GRAP 17 on the fixed asset register by 30 June 2013	12 FAR updates done in terms of GRAP 17 on the fixed asset register by 30 June 2013	3 Monthly FAR updates done	3 Monthly FAR updates done	3 Monthly FAR updates done	3 Monthly FAR updates done	3 Monthly FAR updates done	3 Monthly FAR updates done	3 Monthly FAR updates done	3 Monthly FAR updates done
			100% Compliance of Fixed Assets Register to GRAP 17 by 30 June 2013	100% Compliance of Fixed Assets Register to GRAP 17 by 30 June 2013	100% Compliance of Fixed Assets Register to GRAP 17	100% Compliance of Fixed Assets Register to GRAP 17	100% Compliance of Fixed Assets Register to GRAP 17	100% Compliance of Fixed Assets Register to GRAP 17	100% Compliance of Fixed Assets Register to GRAP 17	100% Compliance of Fixed Assets Register to GRAP 17	100% Compliance of Fixed Assets Register to GRAP 17	100% Compliance of Fixed Assets Register to GRAP 17
			2 Physical Inspection	2 Physical Inspection	N/A	N/A	1 Physical Inspection	1 physical inspection done	N/A	N/A	1 Physical Inspection	1 physical inspection done

PROGRAMME FOURTEEN: BUDGET, REPORTING AND COMPLIANCE																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP Pg 127	Financial Viability and Financial Management	To ensure that the organisations finances are managed sustainably	14.1 SEC 71 & 72 REPORTS, NT REPORTS AND STATUTORY RETURN S.	Monthly, quarterly, bi-annual and annual reports submitted to National, Provincial, Treasury and other organs of state	Monthly S 71 and In Year Monitoring Returns submitted by legislated deadline (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	12 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	3 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	3 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	3 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	3 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	3 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	3 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	3 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)	3 Monthly S 71 and In Year Monitoring Returns submitted no later than 10 working days after every month end (Monthly National Grant Returns as allocated in terms of DORA by legislated deadline)			

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2012-17 IDP PG 127	Financial Viability and Financial Management											
To ensure that the organisations finances are managed sustainably												
14.2 BUDGET PREPAR ATION	2011/12 012 Approved budget, 2011/12 012 Adjusted Budget approved											
	Submission of Adjusted budget to Nat. Prov. Treasury, COGTA by date	Submission of Adjusted budget to Nat. Prov. Treasury, COGTA by 31 January 2013	Approved budget process plan / time schedule by 31 August 2012	Approved budget process plan / time schedule by 31 August 2012	Approved budget process plan / time schedule by 31/08/12	N/A	N/A	N/A	Submission of Adjusted budget to Nat. Prov. Treasury, COGTA	Adjustment budget submitted to Nat & prov Treasury and COGTA	N/A	N/A
	Approved budget process plan / time schedule by 31 August 2012	Approved budget process plan / time schedule by 31 August 2012	Approved budget process plan / time schedule by 31 August 2012	Approved budget process plan / time schedule by 31 August 2012	Approved budget process plan / time schedule by 31/08/12	N/A	N/A	N/A	Approved Draft budget by 31/03/2013	Draft Budget approved by 31/03/13	N/A	N/A
	Approved Final budget by date	Final Budget approved by 31 May 2013	N/A	N/A	N/A	N/A	N/A	N/A	Approved Final budget by 31 May 2013	Approved Final budget by 31 May 2013	Final Budget approved by 31 May 2013	Final Budget approved by 31 May 2013

2012-17 IDP PG 127	Financial Viability and Financial Management									
To ensure that the organisations finances are managed sustainably	14.3 ANNUAL FINANCIAL STATEMENTS AND AUDIT REPORTS									
Proof of submission of Annual Financial Statements to Auditor General	Preparation and submission of annual financial statements to auditor general by date	Preparation and submission of annual financial statements to auditor general by 31 August 2012	Preparation and submission of annual financial statements to auditor general by 31 August 2012	Annual Financial Statements prepared and submitted to AG by the 31-08-12	N/A	N/A	N/A	N/A	N/A	N/A
Management letter	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days	Effective response of audit queries within 2 days
Audit opinion	Effective response of audit queries given by the AG.	Effective response of audit queries given by the AG Within 2 days	Effective response of audit queries given by the AG Within 2 days	Effective response of audit queries given by the AG Within 2 days	Effective response of audit queries given by the AG Within 2 days	Effective response of audit queries given by the AG Within 2 days	Effective response of audit queries given by the AG Within 2 days	Effective response of audit queries given by the AG Within 2 days	Effective response of audit queries given by the AG Within 2 days	Effective response of audit queries given by the AG Within 2 days
	Unqualified opinion by date	Unqualified opinion by 30 November 2012	Unqualified opinion by 30 November 2012	N/A	Unqualified opinion by 30 November 2012	Qualified Opinion received	N/A	N/A	Qualification with regards to the assets	The Assets to done and cleared by IA and All stakeholders

6. Infrastructure, Planning and Development Services

1. *Civil Engineering*

Purpose is to develop, operate and maintain civil infrastructure:

- The management of municipal infrastructure grant-funded projects.
- The maintenance of municipal infrastructure, plant and equipment.

2. *Electrical Engineering*

Purpose is to construct, operate and maintain electrical infrastructure networks:

- The planned and predictive maintenance and repair of medium/low voltage electrical infrastructure networks.
- The management of electrical infrastructure installation projects.

3. *Spatial Planning and Development Services*

Purpose is to provide spatial planning and development services:

- The rendering of spatial planning and LUMS services.
- The facilitation and management of municipal housing allocation.
- The provision of building control services.
- The provision of GIS administration services.

PROGRAMME FIFTEEN: PMU AND CIVIL ENGINEERING																
REFERENCE TO IDP & NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
					ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
					Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP Pg 122	To ensure proper management and maintenance of the existing infrastructure	15.1 Rehabilitation of Kokstad roads phase 5: Brownly:0.25km Sparrow:0.1 km Flaming:1.4km Groom:0.7km Mphela link Rd:0.3 km	8 Km of roads upgraded	Number of km of roads tarred. Number of job created	3.15km's road tarred	2.21 km of layer works done	Installation of storm water services	Storm water services installed	1.9km layer works completed	1.9 km of layer works done	2.6 km of layer works done	2.05 km of layerworks done	3.15km's road tarred	2.21 km of layer works done	Progress slow due to budgetary constraints	Project to fast tracked in the next financial year
					25	26	5	12	10	14	5	0	5	0		

2012-17 IDP Pg 122	Basic service delivery	To reduce infrastructure service backlogs	15.2 SHAYAM OYA TAXI ROUTE PHASE2	3.8 Kms of roads upgraded	Number of Kms of roads tarred.	2.2km's road tarred	0.7 km layer works done	Site establishment	Site establishment complete	Installation of storm water services for 2.2kms	2.2kms's of storm water services installed	1km of layer works done	1.1 km layer works done	2.2km's road tarred	1.54 km layer works done	Progress slow due to budgetary constraints	Project to fast track in the next financial year
					Number of jobs created on the project.	29	19	5	8	8	8	8	5	8	0		
2012-17 IDP Pg 122	Basic service delivery	To reduce infrastructure service backlogs	15.3 HORSE SHOE TAXI ROUTE PHASE2	3.5 Kms of roads upgraded	Number of Kms of road tarred	1.9km's road tarred	1.6 km's of layer works done	Contractors site establishment	Site establishment by Contractor done	Installation of storm water services for 1.9kms	1.9 Storm water services installed	1.0kms of layer works done	0.9 kms of layer works done	1.9km's road tarred	1.6 km's of layer works done	Progress slow due to budgetary constraints	Project to fast track in the next financial year
					Number of jobs created on the project.	29	23	5	8	8	8	8	10	8	0		
2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	15.4 REHABILITATION OF KOKSTAD ROADS PHASE 6 AND KOKSTAD MIDBLOCK ROADS	Phase 4 and 5 6km	Appointment of Contractor by date	Appointment of contractor by 30 June 2013	Contract or not appointed by 30-06-13	Project Registration with MIG	Project registered with MIG	Appointment of consultant Design process starts as per project program	Consultant Appointed and Design process has commenced	Advertisement for Contractor	Advertisement for Contractor not done	Appointment of contractor	Contract or not appointed	Progress slow due to budgetary constraints	Fast track the process of appointing the contractor

2012-17 IDP Pg 122	To reduce infrastructure service backlogs	15.5 SHAYAM OYA TAXI ROUTE PHASE 3	Planning	Completed design and Tender Document Finalised by 30 June 2013	Design not approved	Project Registration with MIG	Project registered with MIG	Appointment of consultant	Consultant Appointed and Design process has commenced	Design process starts as per project program	Design process has commenced as per the project program	Approved Design	Design not approved	The project was delayed due to the capacity of the consultant.	To Assist the consultant & Fast track the approval of designs
2012-17 IDP Pg 122	To reduce infrastructure service backlogs	15.6 HORSE SHOE TAXI ROUTE PHASE 3	Planning	Completed design and Tender Document Finalised	Under design stage	Project Registration with MIG	Project registered with MIG	Appointment of consultant	Consultant Appointed and Design process has commenced	Design process starts as per project program	Design process has commenced as per the project program	Project Registration with MIG	Under design stage	The project was delayed due to the capacity of the consultant	To Assist the consultant & Fast track the approval of designs
2012-17 IDP Pg 122	To ensure proper management and maintenance of the existing infrastructure	15.7 BHONG WENI STADIUM STAND	Existing sport field with no Stands.	Project Planning Complete by date	Contract or not appointed by 31-03-13	Submission of final design report	Final design report submitted	Advertisement of Contractor	Advertiser for contractor published	Appointment of contractor	Contractor appointed	N/A	N/A	Contractor not appointed due to budgetary constraints and change in designs	Fast track the process of appointing the contractor
2012-17 IDP	To ensure proper management and maintenance of	15.8 CLOSURE & REHABILITATION OF	10% of Construction	Number of cells rehabilitated and closed by date	3 Cells Closed by 31 March 2013	3 Cells Closed by 31 March 2013	3 Cells Closed by 31 March 2013	5	0	8	0	8	0	Slow progress with the completion of the ponds due	Fast track the construction of the new landfill site

PROGRAMME SIXTEEN: ELECTRICAL ENGINEERING

REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP	Basic service	To ensure proper management and maintenance of the existing infrastructure	16.1 MV CABLE UPGRADE	New project	Number of Km of cables upgraded by date	Appointment of Contractor by 31 March 2013	Contract or appointed	Terms of reference and Specification	TOR's and Spec's done	Appointment of consultant	Consultant Appointed	Appointment of the Contractor	Contracts Appointed	N/A	N/A	Late appointment of the Contractor	Anticipated to be completed by 15 AUG 2013
						2 Ponds completed by 30 June 2013	1.5 ponds completed	Excavation started	Excavation Works have started	Layer works started	Layer works have started	Laying of pipes	Laying of pipes has started	2 Ponds completed	1.5 ponds completed	to budgetary constraints and the construction of the new landfill site	
						20	22	5	20	5	0	5	0	5	2		
2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	15.9 DEVELOPMENT OF NEW LANDFILL SITE	Planning	Acquisition of land EIA and Design completion Appointment of Contractor	Appointment of contractor	Contract or appointed and Boreholes drilled	Acquire land	Land Acquired	EIA and Design completed	EIA and designs completed	Appointment of the contractor	Contractor Appointed for Drilling of bore holes	N/A	Boreholes drilled	Progress slow due to delay in the drill of boreholes	Project to fast track in the next financial year
						60% Construction completed	0% construction completed	N/A	N/A	N/A	N/A	N/A	N/A	60% of the construction stage complete	0% construction complete		

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GREATER KOKSTAD MUNICIPALITY ANNUAL PERFORMANCE REPORT

2012/13

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PROGRAMME SEVENTEEN: BUILDING CONTROL SERVICES													
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER							
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual
2012-17 IDP Pg 124	Good governance and Basic Services	To promote and create a safe, healthy, and secure environment	17.1 BUILDING PLANS	180 building plans to be received and processed as per last financial year. R350 000.00 revenue has been collected last financial year.	Timespan from submission date to approval as per regulations	30 Days Annually		30 Days		30 Days		30 days	30 days
						Appointment of Contractor by 31 March 2013		Appointment of Contractor by 6 th May 2013		Project Planning		Appointment of contractor	Appointment of Contractor by 6 th May 2013
2012-17 IDP Pg 122	Good governance and Basic Services	To ensure provision of basic services to communities in a sustainable manner	17.2 COMMUNITY HALLS	Land identified and community consultation done.	Appointment of contractor by date	Appointment of Contractor by 31 March 2013		Appointment of Contractor by 6 th May 2013		Land for construction identified		Service provider appointed	Appointment of Contractor by 6 th May 2013
						95% Construction completed by 30 June 2013		10% construction completed		N/A		N/A	Delays due to SCM processes
					% Construction of New Community Facilities Constructed by date								Delays due to SCM processes
													Project to be fast tracked in the next FY
													Project to be fast tracked in the next FY

2012-17 IDP Pg 122	Good governance and Basic Services	To ensure provision of basic services to communities in a sustainable manner	17.3 NEW YOUTH INDOOR CENTRE	Under construction	% construction of Youth Centre facility by date	70% construction of Youth Centre facility by 31 May 2013	70% construction completed	25% Construction (Concrete Footings completed)	25% Construction	45% Construction (Brickwork Completed)	45% Construction	70% Construction (Roof cladding and steel framing Completed)	70% construction completed		
2012-17 IDP Pg 124	Good governance and Basic Services	To promote and create a safe, healthy, and secure environment	17.4 NEW TRAFFIC AND FIRE RESCUE OFFICES	Tender Processes	% Construction of New Traffic and Fire Rescue Offices by date	25% Construction by 31 June 2013 (Project not funded and referred to 2013-2014)	0% construction (Designs complete)	Appointment of contractor	Contractor appointed	5% Construction (Site establishment)	5% Construction	15% Construction (Earthworks Completed)	15% Construction	Budgetary constraints	Advert was issued to source funding COGTA was engaged on the matter to assist with funding on 20 th June 2013
2012-17 IDP Pg 122	Good governance and Basic Services	To ensure proper management and maintenance of the existing infrastructure	17.5 UPGRADE OF TOWN HALL AND COUNCIL CHAMBER	Land identified and community consultation done.	% Construction of Town Hall Upgrade by date	Appointment of contractor by 30 Sep 2012	Contractor appointed by 30 Sep 12	SCM Processes and main contractor appointed	SCM process complete & contractor appointed	N/A	N/A	N/A	N/A		
2012-17 IDP Pg 122	Good governance and Basic Services					95% Construction of Town Hall Upgrade by 30 June 2013	60% construction complete hall upgraded by 30-06-12	95% Construction of Town Hall Upgrade by 30 June 2013	10% construction completed	95% Construction of Town Hall Upgrade by 30 June 2013	40% construction completed	95% Construction of Town Hall Upgrade by 30 June 2013	60% construction completed	Due to known reasons of Cash Flow challenges	Contractor has agreed to review construction programme

2012-17 IDP Pg 124	Good governance and Basic	To promote and create a safe, healthy, and secure environment	17.6 OHS SYSTEM IMPLEMENTATION	Tender Processes	Number of employees issued with protective clothing by date	200 employees issued with protective clothing by 31 March 2013	200 employees issued with protective clothing by 31 March 2013	Compiling of specification	Specification compiled	Procurement processes completed	Procurement process completed	200 Protective clothing delivered	200 protective clothing delivered	N/A	200 employees issued with protective clothing by 31 March 2013
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PROGRAMME EIGHTEEN: SPATIAL PLANNING & LUMS																	
REFERENCE TO	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual						
2012-17 IDP Pg 128	SPATIAL AND ENVIRONMENTAL PLANNING	To ensure and promote sustainable functional and integrated settlement patterns	18.1 SPATIAL EQUITY	15 of PDA Development Applications Received 12 Special Consents	Time span from submission to approval of PDA development applications	90 days from submission to approval of PDA development applications	90 days	90 days	90 days	90 days	90 days	90 days	90 days				
						90 Days from submission to approval of special consent applications Annually	90 days	90 days	90 days	90 days	90 days	90 days	90 days				
						30 Days from submission to approval of relaxation applications Annually	30 days	30 days	30 days	30 days	30 days	30 days	30 days				

2012-17 IDP Pg 128	SPATIAL AND	To ensure and promote sustainable functional and integrated settlement patterns	18.2 REVIEW OF SPATIAL DEVELOPMENT FRAMEWORK	Credible and Adopted 2013-2017 SDF	Adopted 2012-2013 SDF by date	Adopted 2012-2013 SDF by 30 June 2013	Draft SDF submitted to MEC & COGTA comments received	Submission of TOR to SCM	TORs submitted to SCM	Formulation of SDF Steering Committee and Signing of Service Level Agreement	SDF Steering Committee & SLA not signed	Draft SDF submitted to Council for adoption	SDF Steering Committee & SLA signed	Draft SDF submitted to MEC and COGTA for comments	Draft SDF submitted to MEC & COGTA comments received	
2012-17 IDP Pg 128	SPATIAL AND	To ensure and promote sustainable functional and integrated settlement patterns	18.3 GEOGRAPHIC INFORMATION SYSTEM	GIS website and 2011/2012 Data Update	Updated Municipal GIS Spatial Data by date	Updated Municipal GIS Spatial Data by 30 June 2013	Update of Municipal GIS spatial data conducted by 30-06-13	Appointment of service provider	Service provider appointed	Status Quo & Data Collection and Verification Software update	Status Quo & data collection & verification done	Presentation of Updated Spatial Data to IPD and Finance Committee	Updated Spatial Data presented to IPD	Refresher Training of Municipal GIS users	Refresher training of Municipal GIS users was not conducted	

7. Community Development Services

1. *Community Social Services*

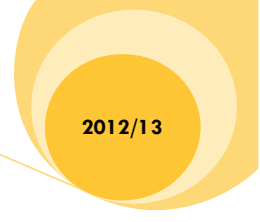
Purpose is to render community social services:

- The management, maintenance and control of facilities and amenities.
- The management, maintenance and control of solid waste, landfill sites, parks and cemeteries.

2. *Community Safety*

Purpose is to render community safety services:

- The provision of traffic control and licensing services.
- The provision of fire fighting, fire prevention and disaster management services.



PROGRAMME NINETEEN: COMMUNITY SERVICES																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET	Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)				
							Target	Actual	Target	Actual	Target	Actual	Target	Actual			
2012-17 IDP Pg 124	Local Economic development	To promote and create a safe, healthy, and secure environment	19.1 ANIMAL CONTROL	SLA with SPCA in place until October 2012	Number of Monthly Reports submitted to Council on Pound Management	12 Monthly Reports submitted to Council on Pound Management	12 Monthly Reports submitted to Council	3 Reports	3 Reports	3 Reports	3 Reports	3 Reports	3 Reports	3 Reports			
						Renewal of SPCA SLA by 31 Oct 2012	SPCA SLA renewed by 31 Oct 2012	N/A	N/A	Renewed SPCA SLA	N/A	N/A	N/A	Renewal of SPCA SLA by 31 Oct 2012			
						% Compliance to KZN Pound Act Annually	100% Compliance to KZN Pound Act Annually	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance	100% Compliance			
2012-17 IDP Pg 124	Local Economic	To Coordinate the provision of Quality health care services and Education	19.2 LIBRARY UPGRADING	ZERO	Number of libraries upgraded by date	Kokstad and Bhongweni Library Upgraded by 30 October 2012	Kokstad and Bhongweni Library Upgraded by 30 Feb 2013	Appointment of Service Provider	Service provider appointed	Kokstad and Bhongweni Library Upgraded (8 tables sets installed per library)	N/A	Kokstad and Bhongweni Library Upgraded by 30 Feb 2013	N/A	N/A	The service provider delayed the completion of the project		

2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	19.3 FURNITURE FOR COMMUNITY HALLS	Two community halls were furnished in 2011/12 financial year	Delivery of chairs and tables for two community halls by date	Purchase and delivery of 300 chairs and 10 tables by 15 October 2012	Purchase and delivery of 300 chairs and 10 tables by 15 October 2012	Appointment of Service Provider	Advert for the service provider published	Appointment of Service Provider	Purchase and delivery of 300 chairs and 10 tables by 15 October 2012	N/A	N/A	N/A	N/A	Delays due to objection by other bidders
2012-17 IDP Pg 124	Local Economic development	To improve the quality of life of the people of GKM through providing them with sustainable community Facilities	19.4 DEVELOPMENT OF PARKS	No designs for any park were done in 2011/12 financial year	Complete designs for parks by date	Complete designs for parks	Draft designs complete	Appointment of Service Provider	Service provider appointed	Complete designs submitted to Council	Complete designs not submitted to council	N/A	N/A	N/A	Draft designs completed	
2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	19.5 SPORTS FIELDS MAINTENANCE	Two sports fields were maintained in 2011/2012	Appointment of service providers by date	Appointment of service providers by 31 Sep 2012	Appointment of service providers by 31 DEC 2012	Specification of service provider	Spec finalised and advert made and submitted to SCM	Appointment of Service Provider	Service provider appointed by 31 DEC 2012	N/A	N/A	N/A	N/A	It had to be re-advertised due to the quotations not meeting the criteria
				Number of cuts on sports field per month	4 sports field cuts per month by 30 June 2013	4 sports field cuts per month by 30 June 2013	4 sports field cuts per month by 30 June 2013	4	N/A	4	4	4	4	4	N/A	

2012-17 IDP Pg 122	Local Economic development	To ensure proper management and maintenance of the existing infrastructure	19.6 PARKS AND OPEN SPACES MAINTENANCE	Five parks were maintained in 2011/2+0 12	Appointment of Service Provider by date	Appointment of Service Provider by 30 Sept 2012	Appointment of Service Provider by 30 Sept 2012	Draft specification and advertise for appointment of Service Providers	Draft specification and advertise for appointment of Service Providers	Appointment of Service Provider	Service provider Appointed	N/A	N/A	N/A	Appointment of Service Provider by 30 Sept 2012		
				Number of cutting per park and open spaces per month	1 cut per park and open spaces per month	1 cut per park and open spaces per month	1 cut per park and open spaces per month	N/A	N/A	1 Cut per park	1 Cut per park	N/A	1 Cut per park	N/A	N/A		
2012-17 IDP Pg 123	Local Economic development	To identify and develop LED opportunities based on the functions of the Municipality	19.7 FOOD FOR WASTE	There were 100 beneficiaries receiving groceries in 2011/2012 financial year	Appointment of supplier for groceries for waste beneficiaries by date	Appointment of supplier by 30 Sept 2012	Supplier appointed by 30-Sept 2012	Supplier Appointed	N/A	N/A	N/A	N/A	N/A	N/A	Supplier appointed by 30-Sep-2012		
				Number of beneficiaries receiving food parcels Annually	900 Beneficiaries receiving food parcels by 30 June 2013	900 Beneficiaries receiving food parcels by 30 June 2013	900 Beneficiaries receiving food parcels by 30 June 2013	N/A	N/A	300 Beneficiaries receiving food parcels	300 Beneficiaries receiving food parcels	300 Beneficiaries receiving food parcels	300 Beneficiaries receiving food parcels	300 Beneficiaries receiving food parcels	300 Beneficiaries receiving food parcels		
2012-17 IDP Pg 124	Local Economic	To promote and create a safe, healthy, and secure environment	19.8 WASTE MANAGEMENT	ZERO	Number of concrete refuse bins installed by date	40 concrete refuse bins installed by 30 November 2012	0 concrete refuse bins installed by 30-11-12	Service provider Appointed	Delivery of 40 Concrete Bins	0 Concrete bins delivered	N/A	N/A	N/A	N/A	The first service provider appointed failed to deliver	the project was re-advised And second service provider has been appointed	

2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	19.9 FENCING OF THE BHONG WENI MEMORIALS	No cemetery site was fenced in 2011 - 2012	Number of meters of fencing done by date	300 wheelie bins acquired by 31 Dec 2012	300 wheelie bins acquired by 31 Jan 2013	Drawing up of specifications and project advertisement	Specifications Advertisment drawn up	Appointment of Service Provider Delivery of 300 Bins	Service provider appointed 0 bins delivered	N/A	300 wheelie bins acquired by 31 Jan 2013	N/A	N/A	Due to delays from the supplier due to the fact that the factories were closed in Dec 2012	To rebook at the timeframes when planning delivery
2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	19.10 SPORTS FIELDS, UPGRADE OF IRRIGATION SYSTEM AT BHONG WENI SPORTS FIELD	No Sports filed was upgraded in 2011 - 2012	Upgraded irrigation system by date	Upgraded irrigation system by 30 November 2012	Upgraded irrigation system by 30 May 2012	Specifications compiled and project advertised	Specifications compiled and project advertised	Appointment of contractor Irrigation system upgrade	Contractor not appointed	N/A	N/A	Upgraded Irrigation system by 30 May 2012	Quotations received did not meet specifications	To re-advertise and advertise for longer	
2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	19.11 SPORTS FIELDS, FENCING OF SHAYAM OYA SPORTS FIELD	No Sport filed was fenced in 2011 - 2012	Number of meters of fencing done by date	550 meters of fencing done by 30 November 2012	Zero meters of fencing done by 30 November 2012	Specifications compiled and project advertised	Specifications compiled and project advertised	Appointment of contractor 550 Meters of fencing completed	Contractor not appointed	N/A	N/A	Zero meters of fencing done by 30 November 2012	Insufficient budgeting	Project to be relooked at in the 13-14 FY	

2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	19.12 MACHINERY FOR PARKS AND RECREATION	No slasher mower was purchased in 2011 - 2012	Slasher mower and brush cutters purchased by date	1 Slasher mower and 20 brush cutters purchased by 30 November 2012	Spec compiled and project advertised	Spec compiled and project advertised	Appointment of contractor	Contractor not appointed	N/A	N/A	N/A	1 Slasher mower and 20 brush cutters purchased by 30 November 2012		
2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	19.13 CONSTRUCTION OF THE POUND	No Pound establishment was done in 2011 - 2012	Appointment of contractor	Contractor appointed by 30 November 2012	Spec compiled and project advertised	Spec compiled and project advertised	Appointment of contractor	Contractor not appointed	N/A	N/A	N/A	Contractor appointed by 30 November 2012		
				% Construction completed by date	100% Construction completed by 30 June 2013	85% Construction completed by 30 June 2013	N/A	N/A	N/A	N/A	5% Construction (Fencing complete, Roof cladding and Loading ramps complete)	5% Construction (Fencing complete, Roof cladding and Loading ramps complete)	100% Construction (Pens complete, Shelter complete, Earthworks complete, Office block complete)	85% Construction completed by 30 June 2013	The construction delayed due to weather	To relook at the construction programme

PROGRAMME TWENTY: COMMUNITY SAFETY SERVICES																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER										Reasons for variance	Planned measures for improvement
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)		Quarter 4 (30-Jun-2013)			
						Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual		
2012-17 IDP Pg 124	Local Economic development	To promote and create a safe, healthy, and secure environment	20.1 LAW ENFORCEMENT	There are no motor bikes for traffic law enforcement to assist wardens to perform patrols	Acquisition of Municipal Traffic motor bikes for law enforcement activities by date	Acquisition of 2 Municipal Traffic motor bikes for law enforcement activities by 31 March 2013	Terms of reference/specification complete	TOR's and specification completed	Advertising Appointment of supplier	Supplier appointed and advertised	Delivery of 2 motor bikes	4 motors bikes delivered	N/A	Acquisition of 4 Municipal Traffic motor bikes for law enforcement activities by 31 Dec 2012			
2012-17 IDP Pg 124	Local Economic development	To promote and create a safe, healthy, and secure environment	20.2 CRIME PREVENTION SURVEILLANCE CAMERAS	There are no cameras at the moment to curb crime in the CBD area	Installation of crime prevention surveillance cameras in the Kokstad CBD crime hot spots by date	Installation of crime prevention surveillance cameras in the Kokstad CBD crime hot spots by 31 March 2013	Complete Specification Advertising	specification completed and advert published	Appointment of the supplier	Supplier Appointed	Installation of the cameras	Cameras Installed	Monitoring usage Reporting to MANCO	Installation of crime prevention surveillance cameras in the Kokstad CBD crime hot spots by 31 March 2013			

2012-17 IDP Pg 122	Local Economic development	To ensure proper management and maintenance of the existing infrastructure	20.3 REVAMP INFORMATION SIGNALS IN KOKSTAD TOWN CBD	Currently there are old and dilapidated signs and street names	Revamping of 50 information signs and street names by date	Revamping of 50 signs and street names by 31 March 2013	Revamping of 50 signs and street names by 28 Feb 2013	Specification and advertising	Specification done and advert published	Appointment of the supplier	Supplier appointed	Installation of signs and street names	Revamping of 50 signs and street names by 28 Feb 2013	N/A	N/A
2012-17 IDP Pg 124	Local Economic development	To promote and create a safe, healthy, and secure environment	20.4 PROCUREMENT OF FIRE FIGHTING EQUIPMENT	There is limited fire fighting equipment for Franklin satellite fire station	Procurement of fire fighting equipment by date	Fire fighting equipment procured by 31 March 2013	Fire fighting equipment procured by 31 Dec 2012	Terms of reference Advertising	TOR's done and advert published	Appointment of the supplier	Supplier appointed	Delivery of equipment	Fire fighting equipment procured by 31 Dec 2012	N/A	N/A

8. CORPORATE SERVICES DEPARTMENT

8.1 Administration Services

Purpose is to provide administrative support and information technology services:

- The provision of secretariat services.
- The provision of general administrative services.
- The provision of Information Technology and reception services.

8.2 Human Resources Management

Purpose is to provide human resources management and development services:

- The provision of human resources management and development services.
- The provision of general human resources administrative support services.

PROGRAMME TWENTY-ONE: DEPARTMENTAL ADMINISTRATION SERVICES																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER								Reasons for variance	Planned measures for improvement		
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)				Quarter 4 (30-Jun-2013)	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual			Target	Actual
2012-17 IDP Pg 122	Basic service delivery	To ensure proper management and maintenance of the existing infrastructure	21.1 MANAGEMENT OF MUNICIPAL PROPERTIES	Vacant pieces of land in areas of Kokstad Town & Bhongweni, Commercial sites with no valid lease agreements.	Appointment of developer to partner with Municipality by date	Appointment of developer to partner at BAC stage	Appointment of Developer	N/A	N/A	N/A	N/A	N/A	Appointment of the developer in July 2013	Delay in the appointment was due to the review of TOR			
				Number of non-essential sites disposed of by date	34 non-essential sites disposed of by 30 June 2013	0 non-essential sites disposed of by 30-06-13	N/A	N/A	N/A	N/A	34 non-essential Sites Disposed of	0 non-essential Sites Disposed of	Appoint the developer in July 2013	Delay in the appointment was due to the review of TOR			

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2012-17 IDP Pg 126	Governance and public	To Develop a strong institution to support consultative and participatory local Government	21.3 TELEPHONE MANAGEMENT SYSTEM	The voice over IP telephone management system is in place. Telephone costs controlled & monitored through the budget control management system.	Telephone expenditure of managed lines kept within allocated budget (R30 000 p.m).	Telephone expenditure of managed lines kept within R30 000 per month.	Telephone expenditure of managed lines kept within R30 000 per month.	Telephone expenditure of managed lines kept within R30 000 per month.	Telephone expenditure of managed lines kept within R30 000 per month.	Telephone expenditure of managed lines kept within R30 000 per month.	Telephone expenditure of managed lines kept within R30 000 per month.	Telephone expenditure of managed lines kept within R30 000 per month.
2012-17 IDP Pg 126	Governance and public	To Develop a strong institution to support consultative and participatory local Government	21.4 FLEET MANAGEMENT : VEHICLE USAGE AND OPERATIONS PROCEDURES	Fleet management service facing a number of operational challenge	Fleet expenditure (usage) kept within allocated budget (R260 000 p.m).	Fleet expenditure (usage) not kept within allocated budget (R260 000 p.m).	Fleet expenditure (usage) kept within allocated budget (R260 000 p.m).	Fleet expenditure (usage) kept within allocated budget (R260 000 p.m).	Fleet expenditure (usage) kept within allocated budget (R260 000 p.m).	Fleet expenditure (usage) kept within allocated budget (R260 000 p.m).	Fleet expenditure (usage) kept within allocated budget (R260 000 p.m).	Exceeded, expenditure was R323,000.00

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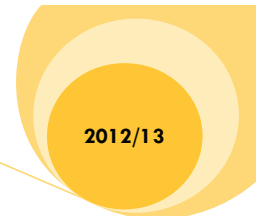
PROGRAMME TWENTY-TWO: HUMAN RESOURCE																	
REFERENCE TO IDP	NATIONAL KPA	STRATEGIC OBJECTIVES	PROJECT DESCRIPTION	BASELINE	KEY PERFORMANCE INDICATOR (KPI)	PERFORMANCE TARGET & PROJECTED BUDGET PER QUARTER								Reasons for variance	Planned measures for improvement		
						ANNUAL TARGET		Quarter 1 (30-Sep-2012)		Quarter 2 (31-Dec-2012)		Quarter 3 (31-Mar-2013)				Quarter 4 (30-Jun-2013)	
						Target	Actual	Target	Actual	Target	Actual	Target	Actual			Target	Actual
2012-17 IDP Pg 125	Institutional development and transformation	To improve Skills capacity for the municipality to render effective services	22.1 IMPLEMENTATION OF SCARCE/RARE SKILLS BURSARY	21 Bursary Holders in the system	Number of New Bursaries awarded by date	8 New Bursaries awarded by 31 March 2013	11 new bursaries were awarded for the 2013 calendar year	Advertisement of Bursary Project	Awarding of 4 Bursaries	11 High Schools were visited	13 IDP Road-shows	Ensure payment of bursaries to Institutions	Awarding of 4 Bursaries for the 2013 calendar year	N/A	N/A		
2012-17 IDP Pg 126	Governance and public	To Develop a strong institution to support consultative and participatory	22.2 INDIVIDUAL PMS	IPMS implemented at posts level from level 0 to 4 within the Municipality	% Compliance to PMS Policy.	100% Compliance to PMS Policy Annually	79% Compliance to PMS Policy Annually	100% Compliance	79% Compliance to PMS Policy Annually	100% Compliance	79% Compliance to PMS Policy Annually	100% Compliance	79% Compliance to PMS Policy Annually	Due to Non availability of Sec 56 managers/panel members etc	To notify the S56/57 managers earlier and send reminders		

2012-17 IDP Pg 126	Institutional development and	To Develop a strong institution to support consultative and participatory local Government	22.3 STAFF EXCELLENCE AND OUTSTANDING PERFORMANCE AWARDS EVENT	Event held on 15 December 2011	GKM Staff Excellence Awards Event held by 30 December 2012.	Electronic PMS up and running by date	Electronic PMS up and running by 30 June 2013	Electronic PMS not up and running by 30-06-13	3 Monthly Steering Committee Meeting	3 Monthly Steering Committee Meeting held	Nominees identified	Event to be held before 30 Dec 2013	Roll out of System to MANCO	System workshoped with MANCO members	Capture of PA Assessment Data on System for MANCO	PA data captured on system	Capture of PA Assessment Data on System for MANCO	Assessment data not captured	Technical challenges with the system. Relevant personnel not trained properly	Admin and technical challenges to be addressed by the service provider. Arrange training for relevant personnel
2012-17 IDP Pg 126	Institutional development and	To Develop a strong institution to support consultative and participatory local Government	22.4 STAFF RETENTION STRATEGY	15 x Housing Allowances being paid	Percentage of qualifying employees paid in terms of retention strategy	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013	100% of qualifying employees paid in terms of retention strategy by 30 June 2013
2012-17 IDP Pg 126	Institutional	To Improve Skills capacity for the municipality to render	22.5 MUNICIPAL WORKPLACE SKILLS	Annual Training Report for 2011/2012	% Implementation of WSP by date	95% Implementation of WSP by 30 June 2013	24 % Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	10% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013	100% Implementation of WSP by 30 June 2013

2012-17 IDP Pg 125	Institutional development and transformation Basic	To improve Skills capacity for the municipality to render effective services	22.6 EDUCATION AND TRAINING SUPPORT PROGRAMME	The Study Grant was granted to twenty three (23) Municipal Employees as per application and operational requirements for 2011/2012	% Compliance to Education and Training Support Programme Policy	Conduct 2013-2014 Skills Audit and submission of 2013-2014 WSP by 30 June 2013	Conduct 2013-2014 Skills Audit and submission of 2013-2014 WSP by 30 June 2013	N/A	N/A	N/A	N/A	Skills Audit Sessions done	Skills Audit Sessions done	Submission of Draft 2013-2014 WSP to Council for approval	Conduct 2013-2014 Skills Audit and submission of 2013-2014 WSP by 30 June 2013
2012-17 IDP Pg 126	Institutional development and	To Develop a strong institution to support consultative and participatory local Government	22.7 INTEGRATED WELLNESS PROGRAMME	Occupational Wellness Officer employed and Wellness Centre opened on 15 March 2012	% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Employee Welfare and Assistance Policy	100% Compliance to Education and Training Support Programme Policy by 30 June 2013

2012-17 IDP Pg 125	Good Governance and Public	To improve Skills capacity for the municipality to render effective services	22.8 EXPERIENTIAL TRAINING PROGRAMS	7 x Experiential Trainees	Number of Experiential Trainees within the Municipality	18 Additional Experiential Trainees within the Municipality by 30 June 2013	16 Additional Experiential Trainees within the Municipality by 30 June 2013	9Experiential Trainees employed	9Experiential Trainees employed	3Experiential Trainees employed	3Experiential Trainees employed	3Experiential Trainees employed	3Experiential Trainees employed	1 Experiential Trainees employed	Moratorium on recruitment	To employ experiential trainees in different fields
2012-17 IDP Pg 125	Good Governance and Public Participation	To improve Skills capacity for the municipality to render effective services	22.9 EMPLOYMENT EQUITY; EQUAL EMPLOYMENT OPPORTUNITY; WORK ETHICS AND ORGANISATIONAL CULTURE BUILDING PROGRAMS	Reviewed of Employment Equity (EE) Plan	EE Plan for 2012-2016 submitted to Council for adoption by date	EE Plan for 2012-2016 submitted to Council for adoption by 30 June 2013	EE Plan for 2012-2016 submitted to Council for adoption by 30 June 2013	Appointment of Service Provider	Appointment of Service Provider	Adopted EE Plan implemented	Implementation of Adopted EE Plan	Adopted EE Plan implemented	Implementation of Adopted EE Plan	EE Plan for 2012-2016 submitted to Council for adoption by 30 June 2013	Submission of 2011-2012 EE Reports to DoL by 30 Sept 2012	Review of the 2012-2013 EE Plan by 30 June 2013

2012-17 IDP Pg 126	Institutional Development and Transformation. Basic	To Develop a strong institution to support consultative and participatory local Government	22.10 PAY ROLL EMPLOYEE SELF SERVICES	Employee Self Service module has been loaded on VIP and stand alone computer for staff that do not have access to a computer is available.	Roll out of the Employee Self-service Programme to all staff by date	Roll out of the Employee Self-service Programme to all staff by 30 June 2013	Roll out of the Employee Self-service Programme to all staff by 30 June 2013 but zero usage of the system	Programme Update by Service Provider ICT Requirements met	Programme updated by service provider	Roll-out of ESS Programme to all staff	ESS programme rolled-out to all staff	Monitor usage of ESS Module	Monitor usage of ESS module monitored	Monitor usage of ESS Module	Monitor usage of ESS module monitored
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9. ASSESSMENT OF THE PERFORMANCE OF EXTERNAL SERVICE PROVIDERS

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order.

Assessment Key	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
Poor (P)	The service has been provided below acceptable standards

The following are the service providers appointed through the Bid system for each business unit during the 2012/13 financial year.

Bid number	External Service provider	Service provided in terms of the Signed SLA	Performance Target time-frames	Actual performance as at 30 June 2013	Assessment of Service Provider's Performance			Date awarded	Value of project
					G	S	P		
GKM 12/12	FS GONZALVES CONTRACTORS	SMALL TOWN REHABILITATION - UPGRADE OF MAIN ROAD	Main street upgrade complete by the 30 th of May 2013	Main street upgrade not completed by 30 May 2013	S			17-Jul-12	R6,405,942.38
GKM 13/12	SEBATA MUNICIPAL SOLUTIONS (PTY) LTD	WEBSITE REVAMP	Upgraded website by the 30 th of December 2012	Website upgraded by the 28 th of February 2013	S			17-Jul-12	R158, 289.00
GKM 14/12	KOKSTAD NISSAN	SUPPLY AND DELIVERY OF SOCIAL DEV. VEHICLES	3 vehicles delivered for the Social dev department	3 vehicles delivered for the Social dev department	G			17-Jul-12	R618, 765.78
GKM 15/12	KOKSTAD NISSAN	SUPPLY AND DELIVERY OF ELECTRICAL SERVICES	3 vehicles delivered for the electrical services section	3 vehicles delivered for the electrical services section	G			17-Jul-12	R853,096.20

		VEHICLES					
GKM 16/12	KOKSTAD NISSAN	SUPPLY AND DELIVERY OF IPD VEHICLES	3 vehicles delivered for the IPD department	3 vehicles delivered for the IPD department	G	17-Jul-12	R642,266.88
GKM 17/12	COUNTERPOINT TRADING 420 CC	UPGRADE OF SHAYAMOYA TAXI ROUTE	2.2km's road tarred	0.7 km layer works done	G	14/09/2012	R6, 925, 668.33
GKM 18/12	MARGATE CONSTRUCTION JV KHOZA TRADING	UPGRADE OF HORSESHOE TAXI ROUTE	1.9km's road tarred	1.6 km's of layer works done	G	14/09/2012	R6, 214, 727.39
GKM 19/20	BFBA CONSULTANTS (PTY) LTD	ELECTRIFICATION OF RDP HOUSES WITHIN GKM	100% Electrification of identified RDP houses	100% of identified RDP houses electrified	G	21-Nov-12	R171,000.0
GKM 20/12	BARLOWORLD EQUIPMENT	ACQUISITION OF TWO (2) TLB'S FOR IPD AND COMMUNITY SERVICES DEPARTMENT	2 TLB's delivered to GKM by the 30 June 2013	2 TLB's delivered to GKM by the 30 June 2013	G	21-Nov-12	R1, 326, 960.00
GKM 23/12	BABCOCK AFRICA SERVICES (PTY) LTD	SUPPLY AND DELIVERY OF A MOTOR GRADER	Delivery of a motor grader	Motor grader delivered	G	21-Nov-12	R2, 163, 720.00
GKM 24/12	S. ZOKO CONSULTING CC	PROVISION OF CONSULTING ENGINEERING SERVICES FOR THE DESIGN, TENDER AND	Completed designs for gravel access roads phase 2	Designs for gravel access roads completed	G	21-Nov-12	R337, 554.00
GKM 25/12	AMRO DESIGN STUDIOS	Professional Landscape Architect Services - KOKSTAD PUBLIC PARKS	Completed designs of the Kokstad Public Parks	Designs for the Kokstad Public Parks completed	G	29-Jan-13	R198, 990.00
GKM 26/12	DATACENTRIX	ICT MANAGED SERVICES	Monthly monitoring of ICT services	ICT services monitored monthly	G	3-Dec-12	R1, 747, 956.64
GKM 27/12	BRANDFIN TRADE	CRIME PREVENTION CAMERAS CBD	Installation of Crime prevention cameras	Crime prevention cameras installed	G	14-Dec-12	R629, 904.72
GKM 29/12	LIGHT BE CONTRSUTION AND MAINTAINANCE (PTY) LTD	INSTALLATION OF STREET LIGHTS AND HIGH MASTS	100 Street Lights and 3 High Masts installed	100 street lights and 3 high masts installed	G	21-Nov-12	R1, 389, 131.95

GKM 30/12	DNA CONSULTING ENGINEERS AND PROJECT MANAGERS	UPGRADING OF MV ELECTRICAL CABLES	Completed designs of the MV Cable upgrading	Designs of the MV Cable upgrade completed	G	21-Nov-12	R185, 875.93
GKM 31/12	BFBA CONSULTANTS(PTY) LTD	ELECTRICITY NETWORK PERFORMANCE INVESTIGATION	Completed Electricity network performance investigation by 30-06-13	Electricity network performance investigation by 30-06-13	G	21-Nov-12	R220, 920.00
GKM 32/12	BOXER SUPERSTORES	SUPPLY AND DELIVERY OF FOOD PARCELS	Delivery of 100 food parcels to all beneficiaries	Delivery of 100 food parcels to all beneficiaries	G	15-Feb-13	R1, 094, 916.00
GKM 35/12	LUANDI MEDIA MARKETING	GKM EMPOWERMENT	Delivery of 4 of GKM newsletter publications	4 publication of GKM newsletter delivered	G	23/01/2013	R640,000.00
GKM 37/12	WAHLUMAA TRADING ENTERPRISE JV HERMAN AND LUCKY CONSTRUCTION	CONSTRUCTION OF WARD 4 COMMUNITY HALL	Construction placed on hold	Construction placed on hold	N/A	6-May-13	R2, 756, 813.94
GKM 38/12	WAHLUMAA TRADING ENTERPRISE JV HERMAN AND LUCKY CONSTRUCTION	CONSTRUCTION OF WARD 8 COMMUNITY HALL	Construction placed on hold	Construction placed on hold	N/A	8-May-13	R2, 880, 944.72
GKM 39-12/13	AURECON SOUTH AFRICA (PTY) LTD	REVIEW OF 2013-2014 SDF	Reviewed 13/14 Spatial development framework	Spatial Development Framework Reviewed	G	14-Mar-13	R331,459.51
GKM 28-12/13	FFE AFRICA PTY LTD	ACQUISITION OF MEDIUM RESCUE PUMP (FIRE ENGINE) - RE-ADVERTISE	Deliver the medium rescue Pump(fire engine)	Medium Rescue pump (fire engine) delivered	G	22-Apr-13	R2, 042, 436.40
GKM 40-12/13	NATHOO MBENYANE	PROVISION OF CIVIL ENGINEERING PROJECT MNG SERVICE- BHONGWENI STADIUM	Completed Designs for the Bhongweni stands	Designs for the Bhongweni stands completed	G	20-Jun-13	R447, 963.00
GKM 43-12/13	NATIONAL DRILLING	DRILLING OF BOREHOLES FOR NEW LANDFILL SITE IN KRANSRAAI	Drilling at the new landfill	Drilling at new landfill done	G	6-May-13	R430, 071.84

GKM 45-12/13	PARK HOME MODULAR UNITS	SUPPLY AND DELIVERY OF PARK HOMES	Delivery of park Home	Park home delivered	G	24-May-13	R336, 870.00
GKM 46-12/13	RAWPOWER (PTY) LTD	LV & MV CABLES, INSTALLATION & ACCESSORIES UPGRADE	1 Km of MV Cable upgraded by 30 June 2013	920m of MV Cables upgrade by 30 June 2013	G	6-May-13	R1, 806,857.14
GKM 47-12/13	LADY SUCCESS JV INTLANGULA TRADING	GRAVEL ACCESS ROADS PHASE 2: NYANISWENI & RIVERSIDE	800m of Gravel road constructed	800m of Gravel road constructed	G	20-May-13	R500, 709.66
GKM 48-12/13	SIVEST CIVILS AND EARTHWORKS	GRAVEL ACCESS ROADS PHASE 2: PAKKIES	2100 m of Gravel road constructed	2100 m of Gravel road constructed	G	20-May-13	R1, 056, 062.37
GKM 49-12/13	LADY SUCCESS JV INTLANGULA TRADING	GRAVEL ACCESS ROADS PHASE 2: LALAMANZI	2100m of gravel road constructed	2100m of gravel road constructed	G	20-May-13	R853, 390.89
GKM 54-12/13	MB ELECTRICAL AND LIGHTING	SUPPLY & DELIVERY OF MV & LV MATERIAL	Delivery of electrical Material as and when required.	Good Electrical material delivered on time	G	6-May-13	R1, 655. 010.50
GKM 59-12/13	UMANYONO FUNERAL SERVICES	INDIGENT BURIAL	Provision of Indigent Burial has an when required with in stipulated time frames	N/A.	N/A.	28-Jun-13	R995 WITH A R300.00 ESCALLATION
GKM 33/12	Light be Construction and Maintenance.	Construction of MV and LV infrastructure to long homes ext 1 in Bhongweni.	Constructed and maintained LV infrastructure homes ext 1 in bhongweni	N/A	N/A	22-Apr-2013	R2, 310, 016.56
GKM 50-12/13	Lupicon Trading	Gravel Access roads phase 2: Franklin	Completed Designs	N/A	N/A	28-Jun-13	R393, 191.00

Chapter 7

Auditor-Generals Findings



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Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

General Information

LEGAL FORM OF ENTITY	Local Municipality																																		
MEMBERS OF THE COUNCIL	<table> <tr> <td>Cllr NT Jojozi</td><td>Mayor</td></tr> <tr> <td>Cllr ZA Mhlongo</td><td>Speaker</td></tr> <tr> <td>Cllr BM Mtolo</td><td>Deputy Mayor</td></tr> <tr> <td>Cllr FA Rodgers</td><td>EXCO 01 July 2012</td></tr> <tr> <td>Cllr PX Xelitole</td><td>Member</td></tr> <tr> <td>Cllr TM Mohlakoana</td><td>Member</td></tr> <tr> <td>Cllr LJ Sithole</td><td>Member</td></tr> <tr> <td>Cllr MM Nondabula</td><td>Member</td></tr> <tr> <td>Cllr TO Madikizela</td><td>Member</td></tr> <tr> <td>Cllr NT Mqikela</td><td>Member</td></tr> <tr> <td>Cllr NC Nyembezi</td><td>Member</td></tr> <tr> <td>Cllr JL Kotting</td><td>EXCO 01 May 2013</td></tr> <tr> <td>Cllr V Ncukana</td><td>Member</td></tr> <tr> <td>Cllr N Mavuka</td><td>Member</td></tr> <tr> <td>Cllr P Nocanda</td><td>Member</td></tr> <tr> <td>Cllr MN Dlakavu</td><td>Member</td></tr> <tr> <td>KJ Walker</td><td>Member from 01 Jul</td></tr> </table>	Cllr NT Jojozi	Mayor	Cllr ZA Mhlongo	Speaker	Cllr BM Mtolo	Deputy Mayor	Cllr FA Rodgers	EXCO 01 July 2012	Cllr PX Xelitole	Member	Cllr TM Mohlakoana	Member	Cllr LJ Sithole	Member	Cllr MM Nondabula	Member	Cllr TO Madikizela	Member	Cllr NT Mqikela	Member	Cllr NC Nyembezi	Member	Cllr JL Kotting	EXCO 01 May 2013	Cllr V Ncukana	Member	Cllr N Mavuka	Member	Cllr P Nocanda	Member	Cllr MN Dlakavu	Member	KJ Walker	Member from 01 Jul
Cllr NT Jojozi	Mayor																																		
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Cllr N Mavuka	Member																																		
Cllr P Nocanda	Member																																		
Cllr MN Dlakavu	Member																																		
KJ Walker	Member from 01 Jul																																		
GRADING OF LOCAL AUTHORITY	Level 7																																		
MUNICIPAL MANAGER	Mr F.T Nxumalo																																		
CHIEF FINANCE OFFICER (CFO)	Mrs N. Gqola																																		
REGISTERED OFFICE	75 Hope Street Kokstad 4700																																		
POSTAL ADDRESS	P O Box 08 Kokstad 4700																																		
BANKERS	FNB																																		
AUDITORS	Auditor General South Africa (AGSA)																																		
TELEPHONE NUMBER	039-797-6600																																		
FAX NUMBER	039-727-3676																																		
E-MAIL ADDRESS	municipality@kokstad.org.za																																		

Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

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The reports and statements set out below comprise the annual financial statements presented to the provincial legislature:

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Greater Kokstad Local Municipality

Annual Financial Statements for the year ended 30 June 2013

Accounting Officer's Responsibilities and Approval

I am responsible for the preparation of these annual financial statements, which are set out on pages 4 to 54, in terms of section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the municipality.

I certify that the salaries, allowances and benefits of councillors, loans made to councillors, if any, and payments made to councillors for loss of office, if any, as disclosed in note 29 of these annual financial statements are within the upper limits of the framework envisaged in section 219 of the constitution, read with the Remuneration of Public Officers Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

Municipal Manager
Mr. F.T Nxumalo
30 August 2013

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

No.	Cycle affected	Nature	Ref - Audit Report Ref	Date of implementation	Person Responsible	Action to be taken	Progress to date	Inputs/comments from Audit Committee
1.	Going concern	As disclosed in note 39 to the financial statements, there is significant pressure on the municipality's cash reserves and current liabilities exceed current assets by R43,55 million. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the municipality's ability to operate as a going concern	Para 8	Monthly from July 2013	CFO	Stringent expenditure control measures have been adopted by council. Expenditure control committee has been established.	On going	To send cash flow statement and S71 report to AC every month
2	Purchasing cycle	As disclosed in note 43 to the financial statements, irregular expenditure amounting to R16,11 million was incurred as a result of contracts awarded to suppliers in contravention of the Municipal Supply Chain Management Regulations (MSCMR). Irregular expenditure break down: Quotations above R30 000 not sought from database: R 8 640 470 Section 32 appointments: R 3 479 994 Persons in service of the state: R 3 992 914	Para 9	Started from 01 September 2013 and is done monthly	CFO	R 8 640 470 consisted of quotations above R 30 000 which were not sought from the database. SCM policy reviewed to be in line with SCM regulation 18 which make provision for the procurement of goods in excess of R 30 000 Section 32 appointments The Municipality will avoid appointments		To be specific in terms of implementation date and person responsible

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

3	Expenditure cycle	<p>Unauthorised expenditure: Unauthorised expenditure amounting to R29.32 million was incurred as the municipality had exceeded the limits provided for in the approved budget.</p> <p>Unauthorised expenditure break down: Unauthorised expenditure resulting from vote R 9 465 940 Unauthorised expenditure resulting from line item R 17 472 968 Unauthorised expenditure resulting from resulting from use of excellence award</p>	Para 10	28 Feb 2014	CFO Assistant manager Budget and reporting	<p>Sufficient budget provision will be made for non-cash items such as depreciation, employee costs and bulk purchases.</p>	<p>under Section 32 and will only consider it on extremely needy circumstances and when documented benefits and discounts are identified</p> <p>Persons in service of the state: R 3 992 914</p> <p>Bidders are requested to fill in the MBD form for verification.</p> <p>The services of TransUnion will be fully utilised for further verification.</p>		Date to be revised from 31 March to 28 Feb 2014
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Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

		R 1 000 000 Unauthorised expenditure resulting from resulting from use of capital expenditure not approved for R 1 378 988		Para 13	30 June 2014	Executive manager : Corporate services Coordinator: Legal services and administration .	Appropriate provision shall be provided for.			
4	Litigation	The municipality is a defendant in civil claims regarding damages to property and supply chain management awards. The ultimate outcome of the matter cannot presently be determined and no provision for any liability that may result has been made in the financial statements.								
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS										
5	Performance Management	Measures taken to improve performance not disclosed Section 46(1) (c) of the Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) requires disclosure in the annual	Para 20	Monthly	MM Co-ord; IDP/OP MS Internal Audit	Measures taken to improve performance will be verified for relevance and will be stated clearly on a monthly basis's and measures will also be	Date of implementation be changed 28 Feb to monthly.			

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

		performance report of measures taken to improve performance where planned targets were not achieved. Measures to improve performance for 37% of the planned targets not achieved were not reflected in the annual performance report. This was due to a lack of review of the reported performance information and the annual performance report disclosure checklist was not developed and implemented by management				verified for the Annual Performance Report.		
6	Performance Management	Performance targets not specific The FMPPI requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 36% of the targets were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that the integrated development plan (IDP) manager did not exercise adequate oversight over the preparation of the service delivery and budget implementation plan to ensure that it contained targets that were specific.	Para 21	28 February 2014	MM Co-ord: IDP/OP MS	The SDBIP will be reviewed during the mid-term and all the targets reflected in percentages will be reviewed.		
7	Performance Management	Performance targets not measurable The FMPPI requires that performance targets be measurable. The required performance could not be measured for 33% of the targets.	Para 22	28 February 2014	MM Co-ord: IDP/OP MS	The SDBIP will be reviewed during the mid-term and all the targets reflected in percentages will be reviewed.		

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

8	Performance Management	<p>This was due to the accounting officer not implementing adequate controls to ensure that targets were measurable as well as a lack of proper reviews by the IDP manager and internal audit function to ensure that performance targets were measurable.</p>	Para 23	28 February 2014	MM Co-ord; IDP/OP MS	<p>The SDBIP will be reviewed during the mid-term and all the targets reflected in percentages and those not well defined will be reviewed.</p>			
9	Performance Management	<p>Performance indicators not relevant</p> <p>The FMPPJ requires that indicators should have clear, unambiguous data definitions so that data can be collected consistently and is easy to understand and use. A total of 45% of the indicators were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that the accounting officer did not implement adequate controls to ensure that performance indicators were well defined as well as a lack of proper reviews by the IDP manager and internal audit.</p>	Para 24	28 February 2014	MM Co-ord; IDP/OP MS	<p>The SDBIP will be reviewed during the mid-term and indicators will be checked in terms of relevance to the</p>			

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

		directly to an aspect of the municipality's mandate or the realisation of strategic goals and objectives as per the five-year IDP. This was due to a lack of development and implementation of proper performance planning and management practices to provide for the development of relevant performance indicators included in the annual performance report.					objective.		
10	Performance Management	Reported performance not reliable The FMPPJ requires municipalities to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets with respect to building control were not reliable when compared to the source documentation and evidence provided. This was due to a lack of review by the IDP manager and internal audit to ensure that actual achievements were supported by accurate and reliable documentation.	Para 25	Quarterly	MM Co-ord: IDP/OP MS Manager HR Internal Audit	All Managers will be required to provide evidence (POE's) for all performance that is reported and included in the APR. The POE will be forwarded to internal Audit for auditing.		POEs be prepared on a monthly basis	
11	Performance Management	Achievement of planned targets Of the total number of 185 targets planned for the year, 61 targets were not achieved during the year under review. This represents 33% of total planned targets that were not achieved	Para 27	28 February 2014	MANC O	The targets will be reviewed accordingly during the mid-term to include realistic figures that a sensitive to the municipality's current financial situation.			

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

		during the year under review. This was due to the fact that management did not perform an adequate mid-year review of targets and their related actual outcomes and to revise the targets to be realistic and achievable at year-end.							
12	Performance Management	Strategic planning and performance management The council's oversight report on the 2011-12 annual report was not made public within seven days of its adoption, as required by section 129(3) of the MFMA.	Para 29	31 March 2014	MM Co-ord; IDP/OP MS	The council's oversight report will be made public with seven days of its adoption.			Implementation date be revised from 30 July 2014 to 31 March 2014
13	Performance Management	The annual performance report for the year under review did not include measures taken to improve performance, as required by section 46(1)(c) of the MSA.	Para 31	quarterly	MM Co-ord; IDP/OP MS	Measures taken to improve performance will be verified for relevance and will be stated more clearly in the Annual Performance Report.			Implementation date be changed from 30 June 2014 to quarterly
14	Expenditure Cycle	Money owing by the municipality was not always paid within 30 days or an agreed period, as required by section 65(2) (e) of the MFMA.	Para 35	Monthly	CFO Assistant Manager : Expenditure	Financial turnaround strategy has been adopted by council to remedy cash flow challenges. A payment register is maintained to ensure suppliers are paid within 30 days.			Date be revised to monthly

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

2012/13

15	Asset Management	An effective system of internal control for assets was not in place, as required by section 63(2)(c) of the MFMA.	Para 37	31 March 2014	CFO Assistant Manager : Budget and reporting IPD MANA GEMENT	FAR update to be prepared and reviewed a monthly basis as well as reconciliation with the General Ledger. Re-assessment of a useful life and Impairment assessment will be done during the course of the year to avoid material adjustments at year end. Documented internal controls for assets are in place		AC to get AFS inclusive of updated FAR by 31 March 2014
16	Community services	The municipality operated its waste disposal site without a waste management licence or permit, in contravention of section 20(b) of the National Environmental Management: Waste Act of South Africa, 2008 (Act No. 59 of 2008) and section 20(1) of the Environmental Conservation Act of South Africa, 1989 (Act No. 73 of 1989).	Para 38		IDP Manager	The application was submitted last year to the Dept. of Environmental Affairs. The recent update is that the Dept. is attending to this application. They will grant permit for the closure of the old		

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

17	Internal control	The accounting officer did not exercise oversight responsibility over the annual performance report and compliance with key legislation.	Para 40	30 June 2014	MM	Oversight will continually be conducted by the accounting officer through the MANCO meeting and monthly reports.	Shayamoya landfill site and the permit for the construction of the new landfill site before the end of June 2014.		Reports be signed by MM and Manager responsible
18	Internal control	Financial and performance management 1. Management did not implement adequate controls over the procurement of goods and services to comply with the requirements of the MSCMR and the MFMA. 2. Management did not perform an adequate review of the annual financial statements, annual performance report and their supporting schedules, prior to submission for audit.	Para 41 & 42	Monthly and quarterly	CFO MM SENIOR MANAGER	Adequate controls are being implemented on over the procurement of goods and services as per supply chain management regulations and Municipal finance management act so as to avoid any irregular expenditure and to ensure on-going compliance with laws and regulations.			

Greater Kokstad Local Municipality

Financial Year ending 30 June 2014

Audit Report turnaround and Clean Audit strategy

						Adequate review of financial and performance reports and their supporting schedules by Management will be enhanced on a monthly and quarterly basis.
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APPENDIX A

COUNCILLOR LIST AND PARTY AFFILIATION

NO.	NAME&SURNAME	Ward
1.	Cllr T.N. Jojozi	PR(ANC)
2.	Cllr B.M. Mtolo	PR(ANC)
3.	Cllr Z.A. Mhlongo	03(ANC)
4.	Cllr F.A. Rodgers	PR(DA)
5.	Cllr P. Nocanda	01(ANC)
6.	Cllr M.N. Dlakavu	02(ANC)
7.	Cllr P.X. Xelitole	07(ANC)
8.	Cllr N. Mavuka	05(ANC)
9.	Cllr T.M. Mohlakoana	06(ANC)
10.	Cllr L.J. Sithole	04(ANC)
11.	Cllr M.M. Nondabula	08(ANC)
12.	Cllr T.O. Madikizela	PR(ANC)
13.	Cllr N.T. Mqikela	PR(ANC)
14.	Cllr N.C. Nyembezi	PR(DA)
15.	Cllr J.L. Kötting	PR(DA)
16.	Cllr V. Ncukana	PR(AIC)

LIST OF COUNCIL MEETINGS AND ATTENDANCE PER COUNCIL

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. Z.A. Mhlongo	4	4	0
2.	Cllr. N. Jojozi	4	4	0
3.	Cllr. B.M. Mtolo	4	4	0
4.	Cllr. F.A. Rodgers (Resigned March 2013)	4	2	1
5.	Cllr. P. Nocanda	4	4	0
6.	Cllr. M.N. Dlakavu	4	4	0
7.	Cllr. P.X. Xelitole	4	4	0
8.	Cllr. N. Mavuka	4	4	0
9.	Cllr. T.M. Mohlakoana	4	4	0
10.	Cllr. L.J. Sithole	4	4	0
11.	Cllr. M.M. Nondabula	4	3	1
12.	Cllr. T.O. Madikizela	4	3	1
13.	Cllr. N.T. Mqikela	4	4	0
14.	Cllr. N.C. Nyembezi	4	4	0
15.	Cllr. J.L. Kötting	4	2	2
16.	Cllr. V. Ncukana	4	3	3
17.	Cllr J Walker (Elected May 2013)	4	0	0

APPENDIX B

COMMITTEE INFORMATION PER ALLOCATION PER COUNCIL

Committee	Chairperson	Members
Finance, Infrastructure Planning and Development Services	Mayor: Cllr TN Jojozi	Mayor Cllr TN Jojozi Cllr TOMadikizela Cllr TMMohlakoana Cllr LJSithole Cllr FARodgers Cllr VNCukana
Social Development	Deputy Mayor: Cllr BMtolo	Deputy Mayor Cllr BMtolo Cllr PX Xelitole Cllr NTMqikela Cllr JLKötting Cllr MMNondabula
Governance	EXCOMember: Cllr FARodgers	EXCOMember: Cllr FARodgers Cllr NMavuka Cllr MMNondabula Cllr MNDiakavu Cllr PNocanda Cllr NC Nyembezi Cllr Mqikela

EXECUTIVE COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS.

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. N. Jojozi	10	10	0
2.	Cllr. B.M. Mtolo	10	10	0
3.	Cllr. F.A. Rodgers (Resigned March 2013)	10	4	2
4.	Cllr. J.L. Kötting (Elected April 2013)	10	2	0

SPECIAL EXECUTIVE COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. N. Jojozi	3	3	0
2.	Cllr. B.M. Mtolo	3	3	0
3.	Cllr. F.A. Rodgers (Resigned March 2013)	3	0	3

FINANCE AND IPD COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. N. Jojozi	10	10	0
2.	Cllr. T.O. Madikizela	10	7	3
3.	Cllr. L.J. Sithole	10	9	1
4.	Cllr. T.M. Mhlakoana	10	9	1
5.	Cllr. F.A. Rodgers (Resigned March 2013)	10	4	3
6.	Cllr. V. Ncukana	10	7	3

GOVERNANCE COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. F.A. Rodgers	10	7	0
2.	Cllr. M.N. Dlakavu	10	7	3
3.	Cllr. N. Mavuka	10	6	4
4.	Cllr. M.M. Nondabula	10	9	1
5.	Cllr. P. Nocanda	10	7	3
6.	Cllr. N.T. Mqikela	10	8	2
7.	Cllr. V. Ncukana	10	4	6
8.	Cllr. N.C. Nyembezi	10	9	1
9.	Cllr. J.L. Kötting (Elected April 2013)	10	1	1

SOCIAL DEVELOPMENT/COMMUNITY SERVICES COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. B.M. Mtolo	10	10	0
2.	Cllr. N.T. Mqikela	10	8	2
3.	Cllr. P.X. Xelitole	10	7	3
4.	Cllr. M.M. Nondabula	10	7	3
5.	Cllr. J.L. Kötting	10	4	6

LABOUR FORUM COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. M.M. Nondabula	8	3	2
2.	Cllr. T.M. Mhlakoana	8	3	2
3.	Cllr. N.T. Mqikela	8	2	3

SPECIAL LABOUR FORUM COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. M.M. Nondabula	0	0	0
2.	Cllr. T.M. Mohlakoana	0	0	0
3.	Cllr. N.T. Mqikela	0	0	0

EMPLOYMENT EQUITY AND SKILLS DEVELOPMENT COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS.

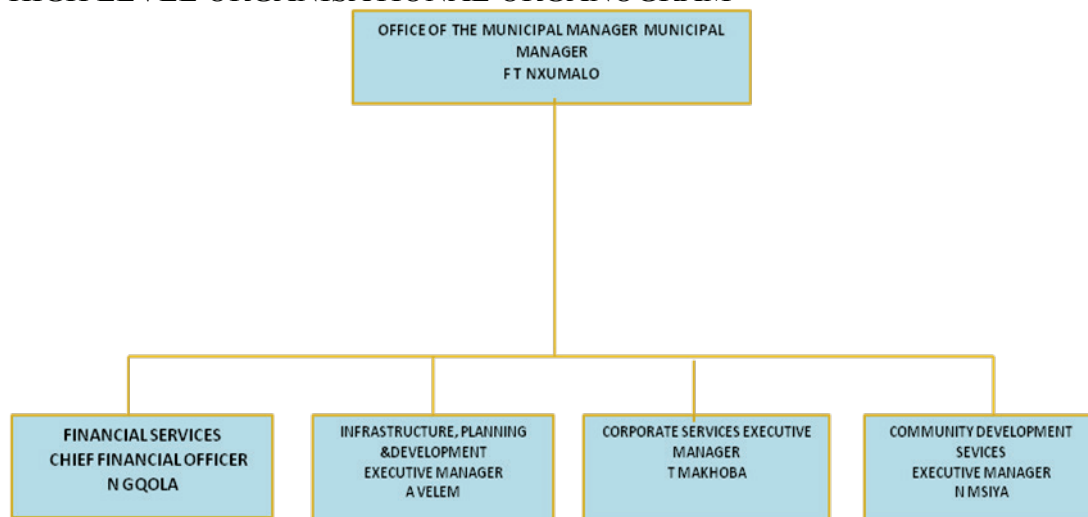
No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. M.N. Dlakavu	5	3	1
2.	Cllr. T.O. Madikizela	5	2	2
3.	Cllr. F.A. Rodgers (Resigned March 2013)	5	2	2

MUNICIPAL PUBLIC ACCOUNTS COMMITTEE - ATTENDANCE OF COUNCIL MEMBERS.

No.	Member of Committee	Number of Scheduled Meetings	Number of Meetings Attended	Number of Meetings Not Attended
1.	Cllr. N. Mavuka	4	4	0
2.	Cllr. N.T. Mqikela	4	4	0
3.	Cllr. P.X. Xelitole	4	4	0
4.	Cllr. M.M. Nondabula	4	4	0
5.	Cllr. J.L. Kötting	4	2	2

APENDIX C

HIGH LEVEL ORGANISATIONAL ORGANOGRAM



FINANCIAL SERVICES

APPENDIX D

FUNCTIONS OF THE MUNICIPALITY

BUSINESS UNIT	BUSINESSFUNCTIONS	STRATEGICOBJECTIVES
Office of the MunicipalManager Office of the MunicipalManager	Strategic planning, development and inter - governmental relations	PURPOSE: TO PROVIDE STRATEGIC PLANNING, DEVELOPMENT AND IGSR SERVICES. <ol style="list-style-type: none"> 1. The facilitation of the annual Integrated Development Planning strategic planning process. 2. The development of appropriate strategies to address the municipal KPA's. 3. The development and implementation of an organizational performance management system. 4. Monitoring and evaluation of the implementation of municipal programmes, policies and projects.
	Political office bearer support	PURPOSE: TO PROVIDE EXECUTIVE AND POLITICAL OFFICE BEARER SUPPORT SERVICES. <ol style="list-style-type: none"> 1. The Provision of support services to Political Office Bearers. 2. The Provision and promotion of community participation services.
	Youth & Special programmes	PURPOSE: TO RENDER YOUTH, SPORTS AND RECREATION PROGRAMMES. <ol style="list-style-type: none"> 1. The management and coordination of activities related to youth. 2. The identification, support and coordination of sporting activities within the municipality. PURPOSE: TO RENDER SPECIAL PROGRAMMES <ol style="list-style-type: none"> 1. The management and coordination of activities related to the children, disabled, aged, HIV & Aids, gender, women and other projects. 2. The identification, support and coordination of activities related to the above, within the municipality.
	Internal Audit and Risk Management	PURPOSE: TO PROVIDE INTERNAL AUDIT AND RISK MANAGEMENT SERVICES <ol style="list-style-type: none"> 1. The rendering of regulatory and it audits. 2. The performing of special audits/investigations. 3. The rendering of comprehensive or compliance financial, operations, performance and fraud risk review audits. 4. The reporting of audit results.
	LED, poverty alleviation & tourism	PURPOSE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION INITIATIVES. <ol style="list-style-type: none"> 1. The implementation, monitoring and evaluation of municipal LED strategy and projects. 2. The implementation of municipal poverty alleviation strategy and projects. 3. The promotion and support of SMME's. 4. The provision of tourism development services. 5. The provision of informal traders' administration services.

BUSINESS UNIT	BUSINESSFUNCTIONS	STRATEGICOBJECTIVES
Financial Services Department	Compliance, Budgeting & reporting	PURPOSE: TO MANAGE THE MUNICIPAL BUDGETING AND RPEORTING PROCESS. <ol style="list-style-type: none"> 1. The undertaking of management accounting and financial compliance services. 2. The management of the budgeting process. 3. The management of municipal assets and liabilities. 4. The provision of financial reporting services.
	Expenditure management	PURPOSE: TO MANAGE AND CONTROL MUNICIPAL EXPENDITURE <ol style="list-style-type: none"> 1. The development, implementation and management of procedures, systems and controls related to salaries and expenditure. 2. The development, implementation and management of procedures, systems and controls related to the procurement of goods and services.
	Revenue Management	PURPOSE: TO COLLECT,MANAGE AND CONTROL MUNICIPAL REVENUE <ol style="list-style-type: none"> 1. The collection of municipal revenue. 2. The development and implementation of procedures, systems and controls related to credit control and debt collection.
	Community socialservices	PURPOSE: TO RENDER COMMUNITY SOCIAL SERVICES <ol style="list-style-type: none"> 1. The management, maintenance and control of facilities and amenities. 2. The management, maintenance and control of solid waste, landfill sites and parks and cemeteries.
Community Development Services		

BUSINESS UNIT	BUSINESSFUNCTIONS	STRATEGIC OBJECTIVES
Department	Communitysafety	PURPOSE: TO RENDER COMMUNITY SAFETY SERVICES <ol style="list-style-type: none"> 1. The provision of traffic control and licencing services. 2. The provision of fire fighting, fire prevention and disaster management services.
Corporate Services Department	Administration services	PURPOSE: TO PROVIDE ADMINISTRATIVE SUPPORT AND INFORMATION TECHNOLOGY SERVICES <ol style="list-style-type: none"> 1. The provision of secretariat services. 2. The provision of general administrative services. 3. The provision of Information Technology and reception services
	Humanresource management	PURPOSE: TO PROVIDE HUMAN RESOURCE MANAGEMENT AND DEVELOPMENT SERVICES <ol style="list-style-type: none"> 1. The provision of HRM and development services. 2. The provision of general HR administrative support services.
Infrastructure, Planning and Development	Civilengineering	PURPOSE: TO DEVELOP, OPERATE AND MAINTAIN CIVIL INFRASTRUCTURE: <ol style="list-style-type: none"> 1. The management of municipal infrastructure grant-funded projects. 2. The maintenance of municipal infrastructure, plant and equipment.
	Electricalengineering	PURPOSE: TO CONSTRUCT, OPERATE AND MAINTAIN ELECTRICAL INFRASTRUCTURE NETWORKS: <ol style="list-style-type: none"> 1. The planned and predictive maintenance and repair of medium/low voltage electrical infrastructure networks. 2. The management of electrical infrastructure installation projects.
	Spatial planning & developmentservices	PURPOSE: TO PROVIDE SPATIAL PLANNING AND DEVELOPMENT SERVICES. <ol style="list-style-type: none"> 1. The rendering of spatial planning and LUMS services. 2. The facilitation and management of municipal housing allocation. 3. The provision of building control services. 4. The provision of GIS administration services.

BUSINESS UNIT	BUSINESS FUNCTIONS	STRATEGIC OBJECTIVES
Services Department	LED, poverty alleviation & tourism	PURPOSE: TO PROMOTE LOCAL ECONOMIC DEVELOPMENT AND POVERTY ALLEVIATION INITIATIVES. <ol style="list-style-type: none"> 6. The implementation, monitoring and evaluation of municipal LED strategy and projects. 7. The implementation of municipal poverty alleviation strategy and projects. 8. The promotion and support of SMME's. 9. The provision of tourism development services. 10. The provision of informal traders' administration services.

APPENDIX E & F

2012/13

WARD INFORMATION

WARDS	PROJECT NAMES	PROJECT AMOUNTS	TOTAL PER WARD	% ALLOCATIONS PER CAPEX BUDGET TOTAL &
HORSESHOE WARD 8	Horseshoe Taxi route phase 3 Upgrading of horseshoe taxi route phase 2	R 4,000,000 R 4,000,000	R8,000,000	
FRANKLIN/MAKHOBABA WARD 2	Satelite Libraries-Kraansdraai Gravel Roads access roads phase 2 Community Hall (SMME) Sport fields Revamping of customer care Upgrade of O manager Development of park Library Parks tables & chairs Kokstad roads phase 5 Kokstad roads phase 6 Upgrading of Riverview Kokstad roads phase 7 Upgrading of town hall and council chamber Development of Light Industrial park	R400,000 R1,944,000 R500,000 R250,000 R300,000 R350,000 R1,000,000 R100,000 R1,000,000 R5,000,000 R500,000 R500,000 R4,000,000	R3,094,000 R20,050,000	
TOWN WARD 3	Electrical Standby Quarters Shayamoya Eco-Complex Shayamoya Taxi route phase 3 Upgrading of shayamoya taxi route phase 2	R7,000,000 R300,000 R13,677,000 R2,000,000 R2,000,000	 R19,177,000	
SHAYAMOYA WARD 7	Rehabilitation of shayamoya L/F site Community halls (SMME) Development of park Kokstad Roads phase 5 Bhongweni Youth centre swim pool Bhongweni /Kokstad youth center Rehabilitat of bhongweni RD phase 1	R1,000,000 R500,000 R500,000 R1,000,000 R3,000,000 R4,000,000 R 750,000	 R9,250,000	
BHONGWENI WARD 8	Gravel Access Roads Phase 2 Community Hall Sports fields Sewing Containers X2 Shayamoya Taxi route Phase 3 Upgrading of shayamoya taxi route phase 2	R1,944,000 R500,000 R250,000 R 1,000,000 R2,000,000 R2,000,000	R3,694,000 R4,000,000	
PAKKIES WARD 6	Development of park Bhongweni stadium -stand Community halls (SMME) Side walk (SMME) Phase 2 Rehabilitation of bhongweni RD pha 1	R500,000 R5,000,000 R500,000 R1,000,000 R 750,000	R7,750,000	
7. SHAYAMOYA 2	Projects Benefit All wards	R16,655,775	R16,655,775	
8. BHONGWENI 2				

APPENDIX G

2012/13

Refer to the Annual Report

02	Rehabilitation of roads	It was noted that the roads were in a horrible condition and there is a need for road rehabilitation to allow for vehicular access	None	IPD
03	Job opportunities	The community identified a lack in job opportunities available in the area, especially for the youth and semi-skilled.	Dept. of Economic Development	OMM-LED
04	Bakery equipment	The bakery as a physical structure has been provided however the equipment for it to operate and function accordingly is not available. Therefore, for the bakery to serve its primary function there is a need for the provision of the equipment.	Dept. of Economic Development	OMM-LED
05	PoultryProject	LandforPoultryprojectaswellasassistancefromthe municipalitytoestablishthisbusinesswasidentified.	Dept. of Economic Development	OMM-LED

WARD 03 (Kokstad CBD)

No	CommunityNeed	ProblemStatement-bytheCommunitymembers	ExternalInterventionRequired	ResponsibleDept.
01	Higher education establishment	The community feels that some form of partnership with one of the countries higher education universities be established so that there can be a campus in the town to provide much needed higher education to the matriculates within GKM who haven't been able to access higher education	DOE	CDS
02	Special school	The community feels that there is very little provision for people with special needs within GKM at large especially when it comes to education, it was therefore identified that a special school was much needed to address this.	DOE	CDS
03	Speed Humps	There are streets that still need speed humps in order to ensure safety to the pedestrians primarily around residential amenities.	None	IPD
04	Street lights	Dark streets were a major concern in ward 3, the community stressed that this was an issue which needed to be addressed effectively because numerous offences which have been exacerbated by this darkness have been reported.	None	IPD
05	Roads	A need for rehabilitation of roads in town was identified	DOT	IPD
06	Sidewalks	There is high competition between cars and pedestrians on the road due to the absence of sidewalks, therefore these are needed to reduce the pressure off the road and increase safety for pedestrians	DOT	IPD
07	Improvement/ rehabilitation of storm water	Blocked storm water drainage causes flooding to the neighboring houses during rainy seasons.	DOT	IPD

WARD 04

No	CommunityNeed	ProblemStatement-bytheCommunitymembers	ExternalInterventionRequired	ResponsibleDept.
01	Housing	There are still major housing backlogs which have been identified	Department of Human Settlements	IPD
02	Satellite Police Station	The existing police station is Kokstad SAPS situated in Kokstad town and access to this police station is arduous and therefore a need for a satellite police station is strongly emphasized.	SAPS	CSD
03	Street lights	Dark streets have been identified as a priority, because the darkness has exacerbated the likelihood for muggings and assault	None	IPD
04	School	While there is a school within close proximity, it was noted that the schools are filled beyond their capacity and therefore new establishments are necessary	DOE	CDS
05	Library	Need for a provision of a library in the area was identified	DAC	CDS
06	Playgrounds	Parents raised the concerns pertaining the lack of demarcated playgrounds for their children to play	Department of Sports and Recreation	IPD

07	Access roads	There are access roads which don't permit for vehicular movement. There is an urgent need for these roads to be established because ambulances and police often can't access the necessary houses.	None	IPD
07	Access roads	There are access roads which don't permit for vehicular movement. There is an urgent need for these roads to be established because ambulances and police often can't access the necessary houses.	None	IPD

APPENDIX H - P

Refer to the Annual Report

WARD05				
No	CommunityNeed	ProblemStatement-bytheCommunitymembers	ExternalInterventionRequired	ResponsibleDept.
01.	Housing	A need for housing was identified	Department of Human settlements	IPD
02.	Clinic	A need for clinic was Identified as the clinic in town is too far and is always full	DOH	CDS
03.	Street lights	Dark streets have been identified as a priority, because the darkness has exacerbated the likelihood for muggings and assault	None	IPD
04.	Playgrounds	Although a soccer field exists a need for accommodating other sporting codes was identified	Department of Sports and Recreation	IPD
05.	JobCreation	Thereisa pressingneedfor theLEDprojects focusing in Job creation and Promotion of SMME's and Cooperatives	DED,DOT(EPWP)	OMM-LED
06.	Upgrading of riverside into a park	A need to use the river bank space for leisure purposes was identified	Department of environmental affairs	CDS

WARD 06- PAKKIES				
No	CommunityNeed	ProblemStatement-bytheCommunitymembers	ExternalInterventionRequired	ResponsibleDept.
01	Houses	Provision of Houses in the area was also identified as one of the priority need with the area	DHS	IPD
02	Water	While provision of water has been made, the distribution is not evenly spread. Community members in areas of higher altitude complain that they need to travel long distances to access it.	SISIONKE	IPD
03	Network poles	Poor reception due to no network was identified as one of the priorities in the area, it was noted that some areas had no access to a reception at all.	Network provider(dept. of Communications)	IPD
04	Clinic	The community complained that the mobile clinic only visited the area once a month which wasn't sufficient because people are unable to access medical assistance when they needed it. However, the health department which was present at the meeting addresses the community by noting that the regulations do not permit for a clinic to be established in the area due to the community size.	DOH	CDS
05.	Fencing of Grazing Land	To ensure a control to the domestic animals was identified hence a fencing of grazing land was expressed	DOT	MMO-LED

APPENDIX Q

SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

WARD 01				
No.	Community Need	Problem Statement-by the Community members	External Intervention Required	Responsible Dept.
01.	Housing	There is still a major housing backlog within the region and this housing shortage still needs to be addressed	Dept. of Human settlements	IPD
02.	Sanitation	A large portion of the ward still utilizes pit-latrines and many are full and have not been drained causing health hazards.	Sisonke District Municipality	IPD
03.	Job Creation Strategy	There is a pressing need for the LED projects focusing in Job creation and Promotion of SMME's and Cooperatives	DED, DOT (EPWP)	OMM-LED
04.	Network – television	Television reception was identified as a need in the area because many homes don't have access to television reception	Dept. of communications	OMM
WARD 02– KRANS DRAAI				
No.	Community Need	Problem Statement-by the Community members	External Intervention Required	Responsible Dept.
01	Housing	A large housing backlog was identified especially in the Weisberg region where the living conditions were seen to be the worst in terms of housing provision.	Dept. of Human settlements	IPD
02	Library	A need for establishment of a library in the area was identified.	DAC	SCD
03	Water	A need for installation of running water was identified especially for the elderly who no longer travel long distances to collect it.	Sisonke District Municipality	IPD
04	Network pole	It was noted that majority of the area did not have telephone reception and that network poles were a need in the community.	Dept. of communications	OMM
05	Television–Network	There is a problem of TV Reception in the area	Dept. of communications	OMM
06	Clinic	Mobile clinic comes to the area once a month, so a need for a clinic establishment or more regular appearance of the mobile clinic in the area was identified	DOH	CDS
WARD 02–SWARTBERG/MAKHOB/MARAISKOP				
No.	Community Need	Problem Statement-by the Community members	External Intervention Required	Responsible Dept.
01	Land for Housing	It was noted that majority of the land within the area of Swartberg and Maraiskop is owned by the white farmers who are still reluctant to distribute land to their tenants/workers in the farm. This creates a frustration to community members residing in these areas as they are staying on very restricted and inhumane conditions with very limited security. Therefore community needs land which will have secure tenure.	DRDLR	MMO&IPD
02	School	It was said that the school in the area was limited to grade 4 and those available were very far, due to financial constraints, many students have been forced to discontinue school. Therefore the need for a school in the area was identified.	DOE	CDS
03	Clinic	The mobile clinic visits once a month and often people need immediate medical assistance between the monthly visits.	DOH	CDS
04	School Transport	The schools are far and families can't afford the daily transport rates therefore subsidies scholar transport is needed.	DOE	CDS
WARD 02- FRANKLIN				
No	Community Need	Problem Statement-by the Community members	External Intervention Required	Responsible Dept.
01	Fencing for farming areas	The community identified an urgent need for the fencing off of the agriculture areas essentially the communal areas because vegetation was being destroyed by livestock.	Dept. of Agriculture	OMM-LED

APPENDIX R

DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

WARD 06—EXTENSION 7				
No	Community Need	Problem Statement-by the Community members	External Intervention Required	Responsible Dept.
01	Primary School	A need for a primary school was identified	DOE	CDS
02	Multipurpose community sports Centre	Currently there is a lack of other sport codes such as tennis, basketball, netball etc. due to non-availability of sports field to accommodate such. A need for the development of a multi-purpose sport Centre that will accommodate all sporting codes was expressed	DSR	CDS
03	RDP houses	A need for low cost housing was identified	Department of Human settlements	IPD
04	Clinic	A need for clinic was identified	DOH	CDS
05	Commercial area	A need for shops within the area was identified	None	IPD
06	General Residential (flats)	A need for general residential was expressed by some of the community members	Department of Human settlements	IPD
WARD 06—CHARLTON/RUSFONTEIN				
No	Community Need	Problem Statement-by the Community members	External Intervention Required	Responsible Dept.
01	Acquisition of land	Most people in the rural areas of the municipality do not own land and as a result they live in a very squalor conditions and exposed to hazardous health conditions due to poor basic service. This has become a critical issue which requires an immediate action by the municipality	DRDLR	OMM
02	Electricity	A need for electricity was identified	ESKOM	IPD
03	Water	A need of portable water still exist in this ward	SDM	IPD
04	High School	A need of High School was identified	DOE	CDS
05	Job Creation	A high rate of unemployment is still a challenge in the area and therefore the community need the municipality to devise innovative ways of creating job opportunities in the area and a sewing project was identified as a possible solution.	Department of Economic Development	MMO—LED
06	Special programmes	Programmes which would cater for the disabled are needed.	Dept. of women, children and people with disability.	OMM-SP

APPENDIX S

DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA s71

WARD 08				
No	CommunityNeed	ProblemStatement-bytheCommunitymembers	ExternalInterventionRequired	ResponsibleDept.
01.	Street lights	Dark streets have been identified as a problem, because the darkness has exacerbated the likelihood for muggings and assault especially along the bridge entering into the location.	None	IPD
02.	Clinic	The community identified that a clinic which would service ward 8 was needed because it would be within close proximity to the people who need it most.	SDM	CDS
03.	Curbing of Illegal dumping	It was identified that illegal dumping was a major problem in the ward and that there is a need for more regular dump collection services as well as a monitoring mechanism which would discourage such activities.	None	CDS
04.	Pavement (sidewalks)	Aneedforpavementwasidentified to decrease the competition between pedestrians and cars on the road	None	IPD
05.	CommunityHall	Aneedfora provisionofcommunityhallfacility which would cater for specifically ward 8 wasidentified	None	IPD

APPENDIX T

NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

WARD 06 NEW MARKET				
No	Community Need	Problem Statement-by the Community members	External Intervention Required	Responsible Dept.
01.	Land for Housing Development	Most people in the rural areas of the municipality do not own land and as a result they live in a very squalor conditions and exposed to hazardous health conditions due to poor basic service. This has become a critical issue which requires an immediate action by the municipality	DRDLR	OMM
02	School	A need for the development of a new school as well as the relocation of the present establishment was identified.	DOE	CDS
03.	Housing	There is a huge housing backlog in the area of New market and it was noted that some of the community members live in very hazardous conditions.	DHS	IPD
04	Water	A need of portable water still exist in this ward	SDM	IPD
05.	Electricity	A need for electricity was identified	ESKOM	IPD
06.	Sanitation	A need for provision of sanitation was identified in the ward as poor sanitation has led to health hazards among many other social issues.	Sisonke District Municipality	IPD

WARD 07				
No	Community Need	Problem Statement-by the Community members	External Intervention Required	Responsible Dept.
01	Houses	A need to address the housing backlog through the more housing development was identified	DHS	IPD
02	Old age home	An old age home was set out as a priority because the elderly identified that they needed a place of refuge because the degrees of abuse towards the elderly in this ward were noted as very high	Department of Social Development	CDS
03	Satellite Police Station	The existing police station is Kokstad SAPS situated in Kokstad town and access to this police station is arduous and therefore a need for a satellite police station is strongly emphasized.	SAPS	CDS
04	Park	Open spaces as well as green spaces are scarce within the ward, therefore parks for recreational and leisure purposes were identified as needs	Dept. of Environmental Affairs	CDS
05	Access Roads	The internal access roads in Shayamoya are too narrow therefore a need to be widened was expressed	None	IPD
06	Orphanage	A need for an orphanage still exists in the ward because there is a high degree of homelessness and child headed households.	Department of Social Development	CDS
07.	Rehabilitation of Road: Phase 4	Some of the internal roads within the township are almost impassable during wet weather, as they are poorly graveled and they are unable to discharge water on the rainy period.	None	IPD

